



Scotiabank
Canadian Banking
Investor Day
Thursday, April 24, 2014

Introduction
Peter Slan
Senior Vice President & Head, Investor Relations

Scotiabank Investor Day Series

Global Banking & Markets *(October 2011)*



International Banking (Colombia and Peru) *(January 2013)*



Global Wealth & Insurance *(September 2013)*



Canadian Banking *(April 2014)*



International Banking (Mexico) *(2015)*



Today...

Opening Remarks	Brian Porter, President & Chief Executive Officer
Strategic Overview	Anatol von Hahn, Group Head, Canadian Banking
Financial Review & Operational Excellence	Laurent Mareschal, SVP & CFO, Canadian Banking
<i>Question & Answer Period</i>	
Break	
Retail Lending, Products & Deposits	Robin Hibberd, EVP, Retail Products & Services
Real Estate Secured Lending	John Webster, SVP & Head, Real Estate Secured Lending
Automotive	Kevin Teslyk, SVP, Automotive Finance & Indirect Lending
<i>Question & Answer Period</i>	
Break	
Retail Distribution	James McPhedran, EVP, Retail Distribution
Payments	Mike Henry, SVP & Head, Retail Payments, Deposits & Lending
Commercial Banking	Gillian Riley, SVP, Commercial Banking Distribution
Tangerine	Peter Aceto, President & Chief Executive Officer, Tangerine
<i>Question & Answer Period</i>	
Closing Remarks	Anatol von Hahn, Group Head, Canadian Banking

Lunch & Informal Discussions



Caution Regarding Forward-Looking Statements

Our public communications often include oral or written forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the United States Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements made in this document, the Management's Discussion and Analysis in the Bank's 2013 Annual Report under the headings "Overview – Outlook", for Group Financial Performance "Outlook", for each business segment "Outlook" and in other statements regarding the Bank's objectives, strategies to achieve those objectives, expected financial results (including those in the area of risk management), and the outlook for the Bank's businesses and for the Canadian, United States and global economies. Such statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intend", "estimate", "plan", "may increase", "may fluctuate", and similar expressions of future or conditional verbs, such as "will", "should", "would" and "could". By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward looking statements, as a number of important factors, many of which are beyond our control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the economic and financial conditions in Canada and globally; fluctuations in interest rates and currency values; liquidity; significant market volatility and interruptions; the failure of third parties to comply with their obligations to us and our affiliates; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws; the effect of changes to our credit ratings; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions and liquidity regulatory guidance; operational and reputational risks; the risk that the Bank's risk management models may not take into account all relevant factors; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services in receptive markets; the Bank's ability to expand existing distribution channels and to develop and realize revenues from new distribution channels; the Bank's ability to complete and integrate acquisitions and its other growth strategies; changes in accounting policies and methods the Bank uses to report its financial condition and financial performance, including uncertainties associated with critical accounting assumptions and estimates (see "Controls and Accounting Policies – Critical accounting estimates" in the Bank's 2013 Annual Report); the effect of applying future accounting changes (see "Controls and Accounting Policies – Future accounting developments" in the Bank's 2013 Annual Report); global capital markets activity; the Bank's ability to attract and retain key executives; reliance on third parties to provide components of the Bank's business infrastructure; unexpected changes in consumer spending and saving habits; technological developments; fraud by internal or external parties, including the use of new technologies in unprecedented ways to defraud the Bank or its customers; consolidation in the Canadian financial services sector; competition, both from new entrants and established competitors; judicial and regulatory proceedings; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments, including terrorist acts and war on terrorism; the effects of disease or illness on local, national or international economies; disruptions to public infrastructure, including transportation, communication, power and water; and the Bank's anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements. For more information, see the "Risk Management" section starting on page 60 of the Bank's 2013 Annual Report. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2013 Annual Report under the headings "Overview – Outlook", and for each business segment "Outlook". These "Outlook" sections are based on the Bank's views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections. The preceding list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf. Additional information relating to the Bank, including the Bank's Annual Information Form, can be located on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC's website at www.sec.gov.

The Bank has adopted retrospectively new and amended accounting standards issued by the IASB effective November 1, 2013. In addition, business segment results were also affected by enhancements made to the funds transfer pricing (FTP) methodology. As a result of these changes, revised 2012 and 2013 results were issued on February 7, 2014. For more information on the basis of preparation of financial statements, see pages 43-46 in the Q1, 2014 Report to Shareholders. For the purposes of this presentation, Canadian Banking business segment unaudited financial results for 2010 and 2011 have been adjusted to conform to current reporting standards.





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Opening Remarks
 Brian Porter
 President & Chief Executive Officer, Scotiabank

Scotiabank's Strategy is Clear

<p><input checked="" type="checkbox"/> Maintain High Degree of Diversification</p> <ul style="list-style-type: none"> • Target 70 / 30 retail and commercial to wholesale split • Appropriate balance between the business lines 	<p><input checked="" type="checkbox"/> Balance Earnings from Canada & International</p> <ul style="list-style-type: none"> • Generate ~50% of earnings from Canada, plus ~50% from our international footprint
<p><input checked="" type="checkbox"/> Pursue Selective Acquisitions</p> <ul style="list-style-type: none"> • Complement organic growth with selective acquisitions 	<p><input checked="" type="checkbox"/> Deliver Key Priorities</p> <ul style="list-style-type: none"> • Customer focus • Enhance leadership • Reduce structural costs

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Three Focused All-Bank Priorities

Customer

Being more focused on our customers

- ✓ Deeper relationships
- ✓ Improved satisfaction & loyalty
- ✓ Enhanced revenue & profitability
- ✓ Stronger brand

Leadership


Enhancing leadership depth, diversity and deployment


- ✓ Greater depth
- ✓ More diversity
- ✓ Deploy leaders more effectively

Structural Costs

Being better organized to serve our customers and reduce structural costs

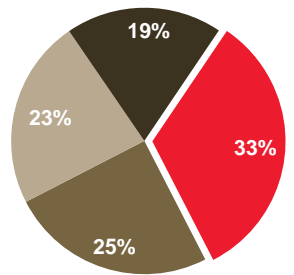
- ✓ Re-visit aspects of operating model and find ways to innovate
- ✓ Start with shared services functions in Canada



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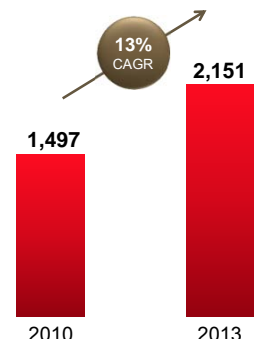
Canadian Banking: Core Business for Scotiabank, Strong Earnings Growth

Earnings by Business Line (2013)




Business Line	Percentage
Canadian Banking	33%
International Banking	25%
Global Banking & Markets	23%
Global Wealth & Insurance	19%


Canadian Banking Earnings Growth (\$ millions)

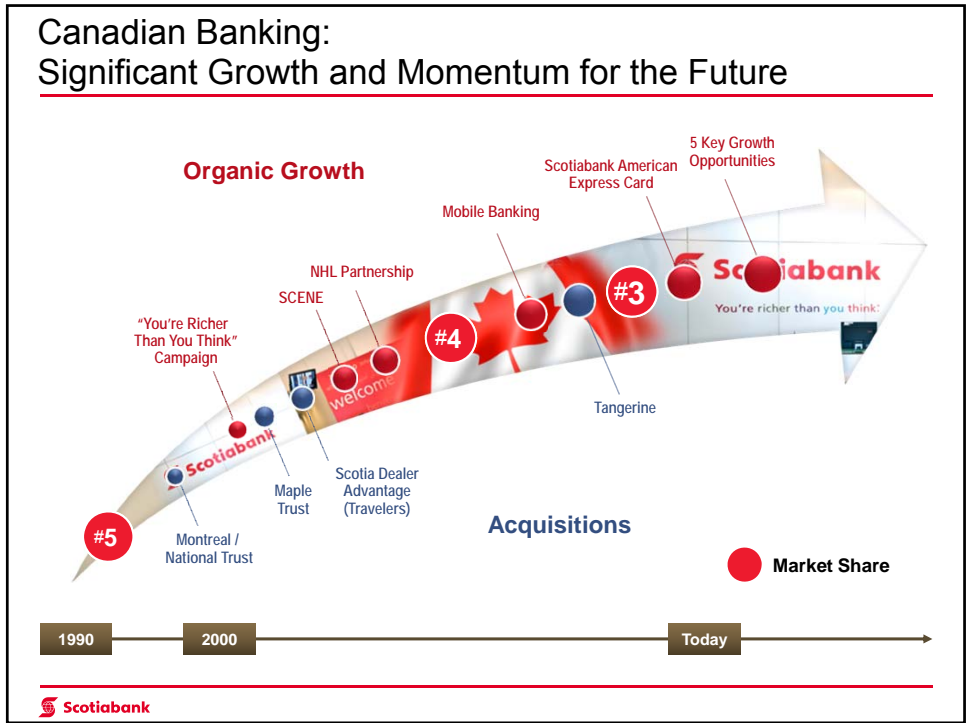


Year	Earnings (\$ millions)
2010	1,497
2013	2,151



Canadian Banking is a critical driver of shareholder value

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Canadian Banking Strategic Overview
 Anatol von Hahn
 Group Head, Canadian Banking

Key Messages

Strong Performance	Earnings growth above peers ✓ 13% CAGR last 3 years ✓ Built market leading position in non-traditional acquisition channels
Differentiated Platform	Competitive advantage ✓ SCENE ✓ Automotive ✓ Mortgages ✓ Tangerine
Focused Strategy	Focused strategic priorities ✓ Transform retail banking ✓ Drive commercial banking ✓ Accelerate credit card growth ✓ Expand Tangerine ✓ Improve operational excellence

NEXT 3-5 YEARS:
Continued Superior Earnings Growth

- Above peer average
- 5-8% CAGR

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Agenda

Canadian Banking Overview

Strong Performance

Market Trends

Strategic Goals and Initiatives

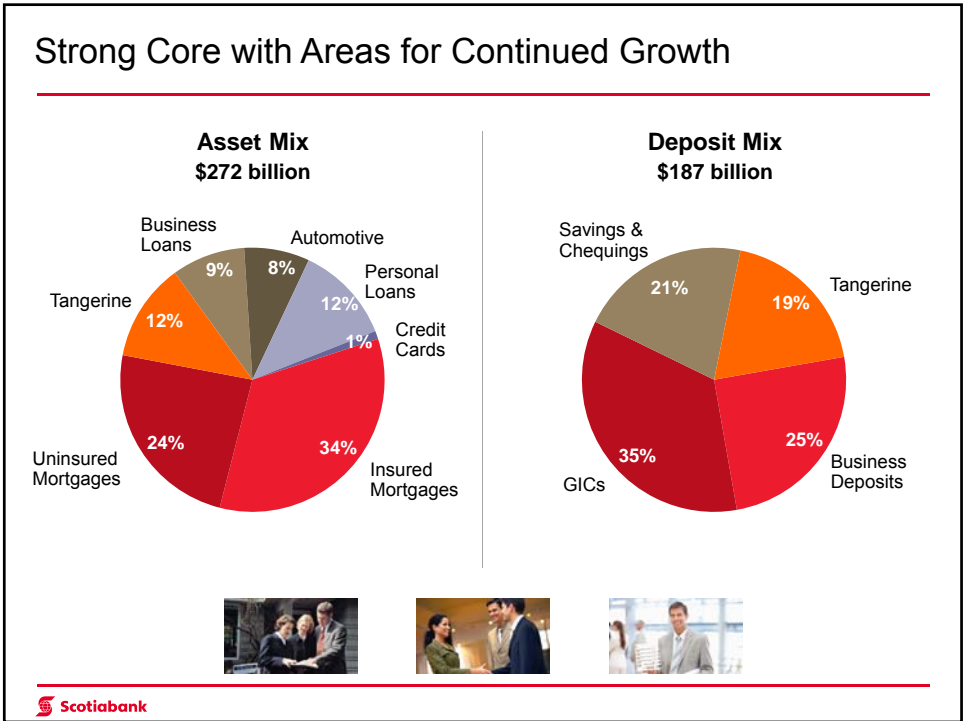
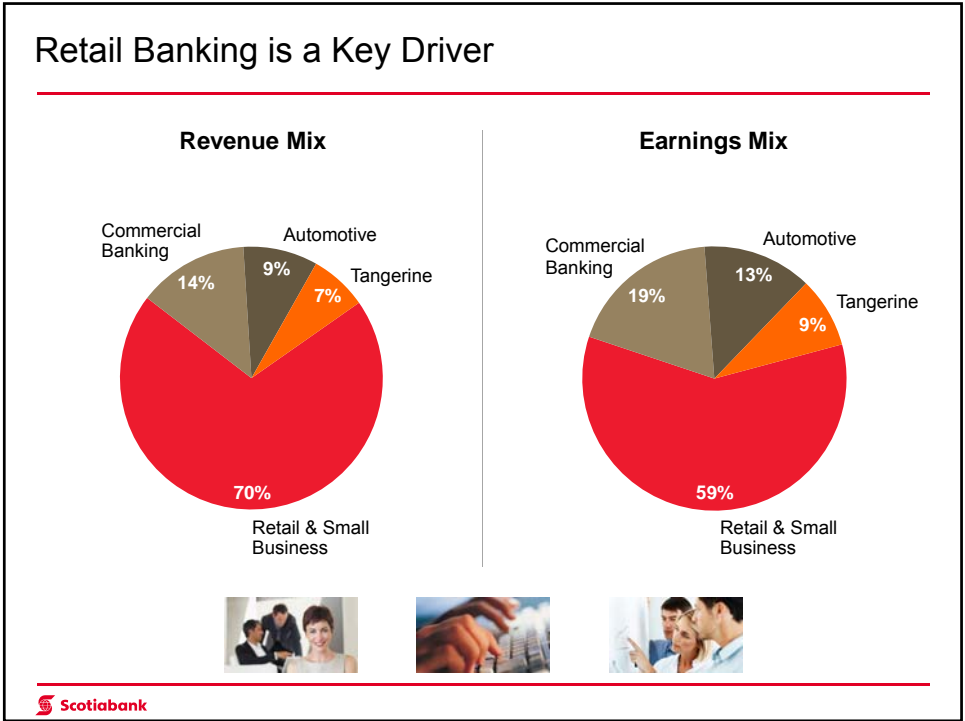


The Business Today





- **4** business lines
 - Retail & Small Business
 - Tangerine
 - Commercial Banking
 - Automotive
- **33%** of Scotiabank earnings in 2013
- **\$272 billion** in average assets
- **\$187 billion** in average deposits
- **7.3 million** Scotiabank retail customers
- Over **1.9 million** Tangerine customers
- Over **350,000** business clients
- Over **3,500** auto dealership relationships




All financial and non-financial data provided are as at or for the year ended October 31, 2013 unless otherwise stated.



Unique Channel Strategy – A Competitive Advantage

Indirect Channels	Partnerships & Sponsorships
 Automotive Finance  Mortgage Broker Channel	 

50%
of new customers are acquired through non-branch channels



Market Leading Direct Bank

- ✓ First mover advantage 
- +
- ✓ Peerless market leader 
- +
- ✓ Differentiated & valued brand 
- +
- ✓ Sticky deposits 
- +
- ✓ Attractive customer base 






Customer Focused Approach...

Our Focus

Profitability

Depth of Relationship

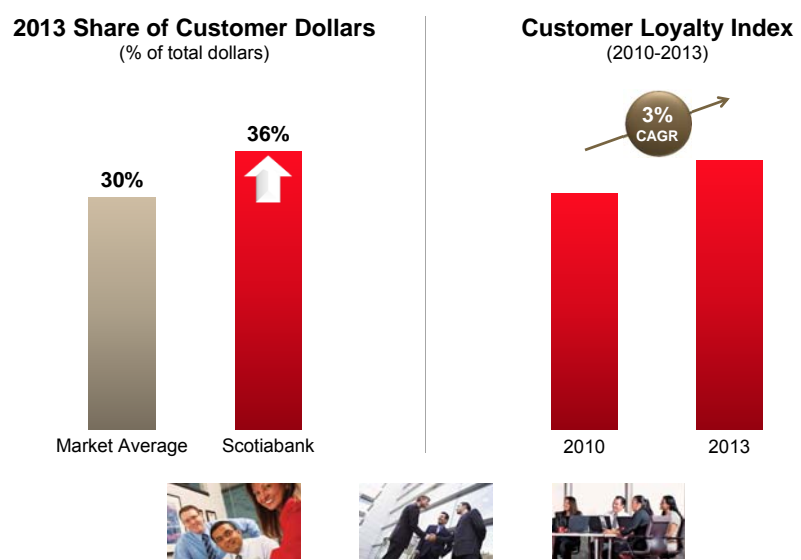
Advantages

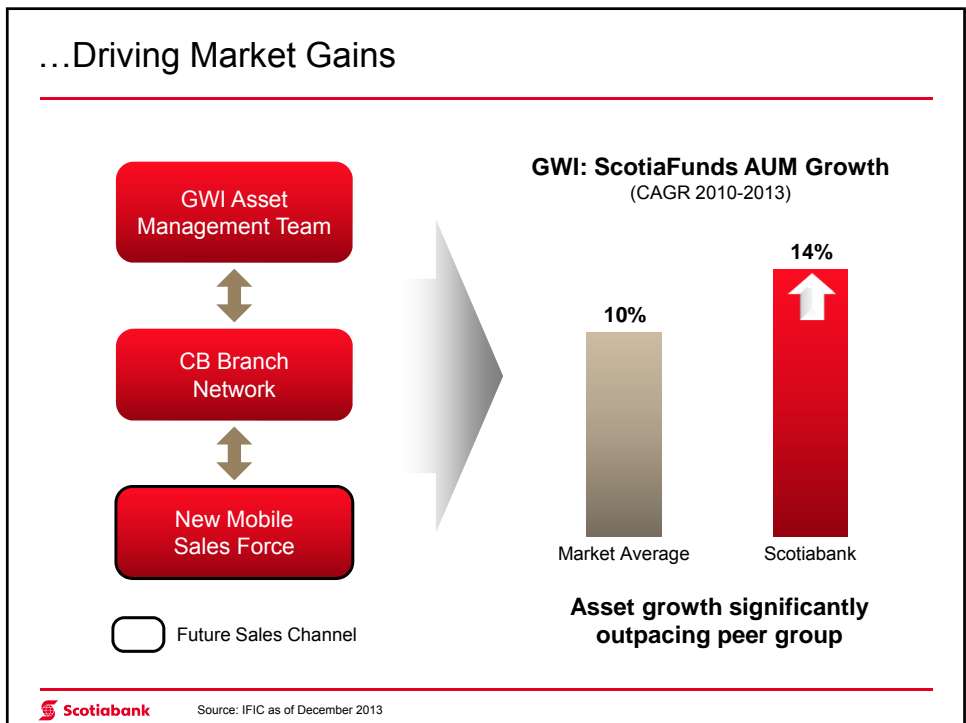
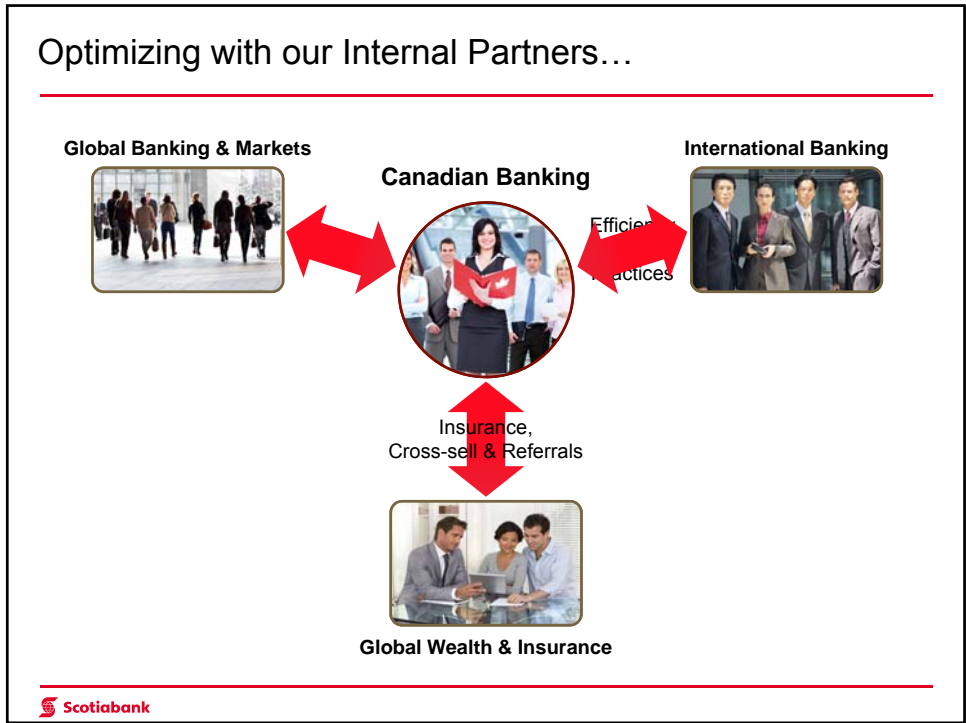
- ✓ Lower acquisition costs
- ✓ Higher margin
- ✓ Greater share of wallet
- ✓ Increased customer referrals

Deepening relationship from 3 products to 5+ increases profitability by **3-4x**

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... Drives Industry-Leading Share of Wallet and Growing Loyalty





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Canadian Banking Overview

Strong Performance

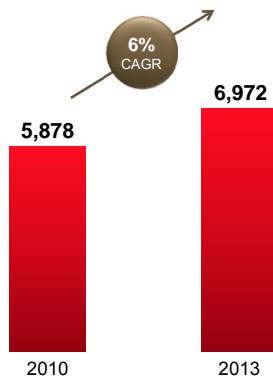
Market Trends

Strategic Goals and Initiatives

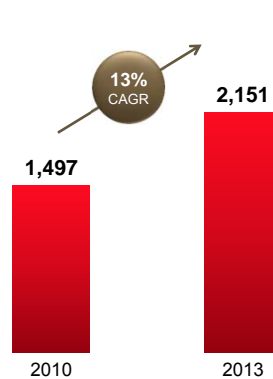


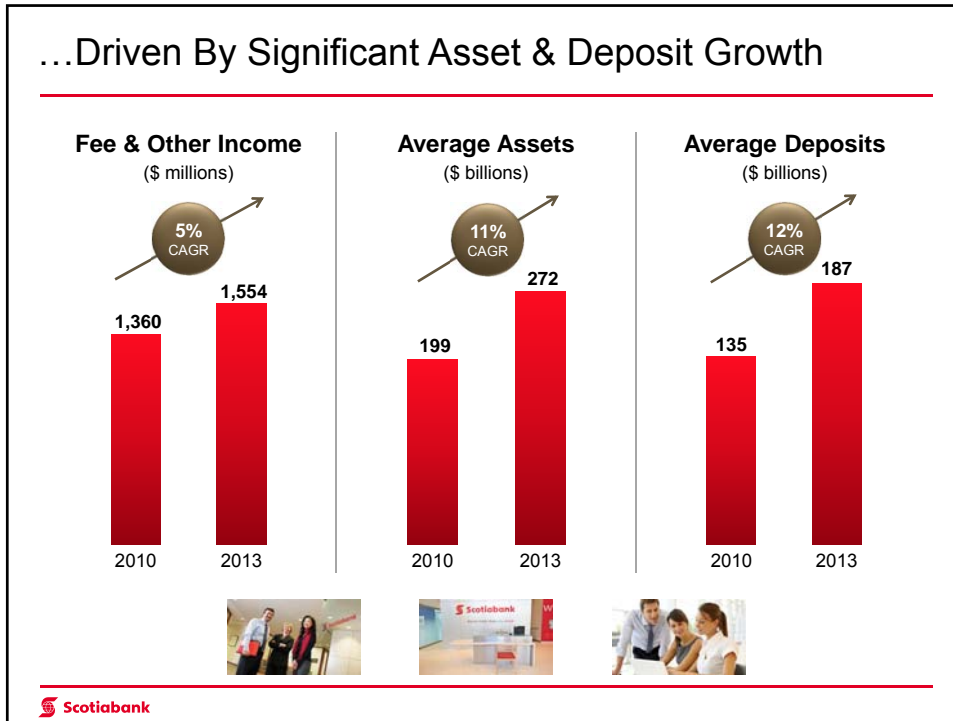
Solid Top and Bottom Line Growth...

Revenue
(\$ millions)



Earnings
(\$ millions)

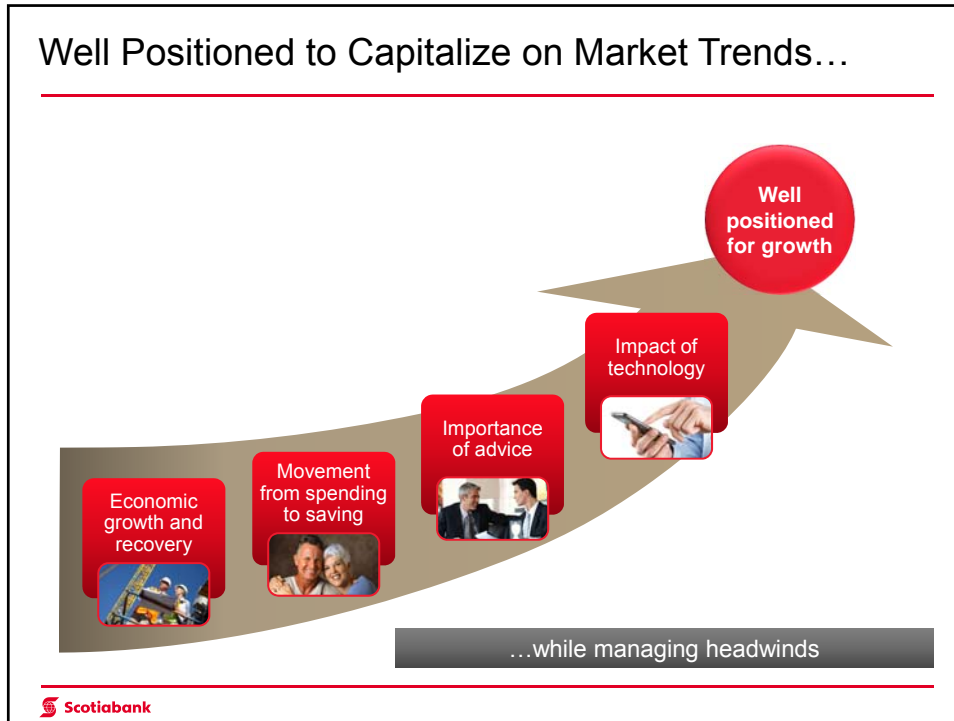




Agenda

- Canadian Banking Overview
- Strong Performance
- Market Trends**
- Strategic Goals and Initiatives

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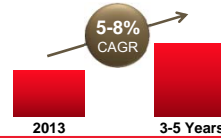
Agenda

- Canadian Banking Overview
- Strong Performance
- Market Trends
- Strategic Goals and Initiatives**

Three small photographs are arranged in a cluster on the right side of the slide. The top photo shows a woman in a blue blazer talking on a mobile phone. The bottom-left photo shows a man and a woman looking at a laptop screen. The bottom-right photo shows a woman with a colorful scarf sitting at a desk, talking on a phone. The Scotiabank logo is in the bottom left corner.

3-5 Year Goals

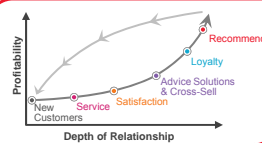
Grow earnings at 5-8% & above the competitor average



Narrow the gap with market leaders



Become Canada's most recommended bank



Five Key Strategic Initiatives

1	2	3	4	5
Transform Retail Experience	Drive Commercial Banking	Accelerate Credit Card Growth	Expand Tangerine	Improve Operational Excellence

Significant growth opportunities



STRATEGIC INITIATIVE #1:
Retail Experience: Major Investment to Transform Retail

- ✓ Leverage advanced customer analytics
- ✓ Expand channel capabilities
- ✓ Execution of segmented advice & sales focus

>\$150 million

Incremental earnings¹

¹Run rate within 3-5 years

STRATEGIC INITIATIVE #2:
Commercial Banking: Drive Higher Earnings

- Repositioning

Reposition to better serve our clients
- +
- New Clients

Increased focus on small and mid-sized companies
- +
- Relationships

Deepen client relationships & increase cross-sell

>\$100 million

Incremental earnings¹

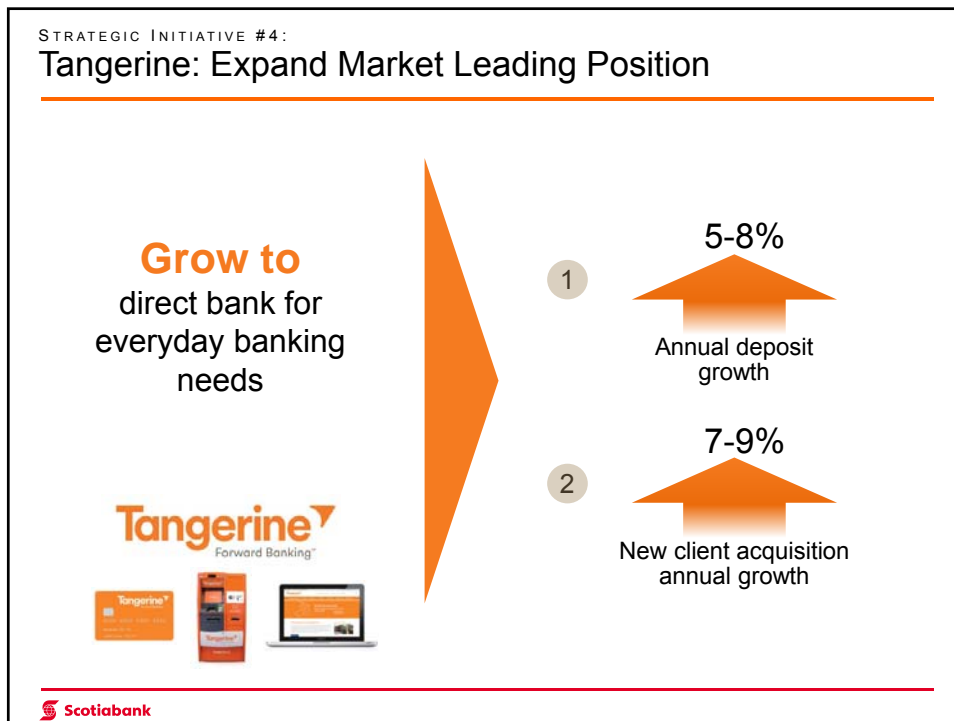
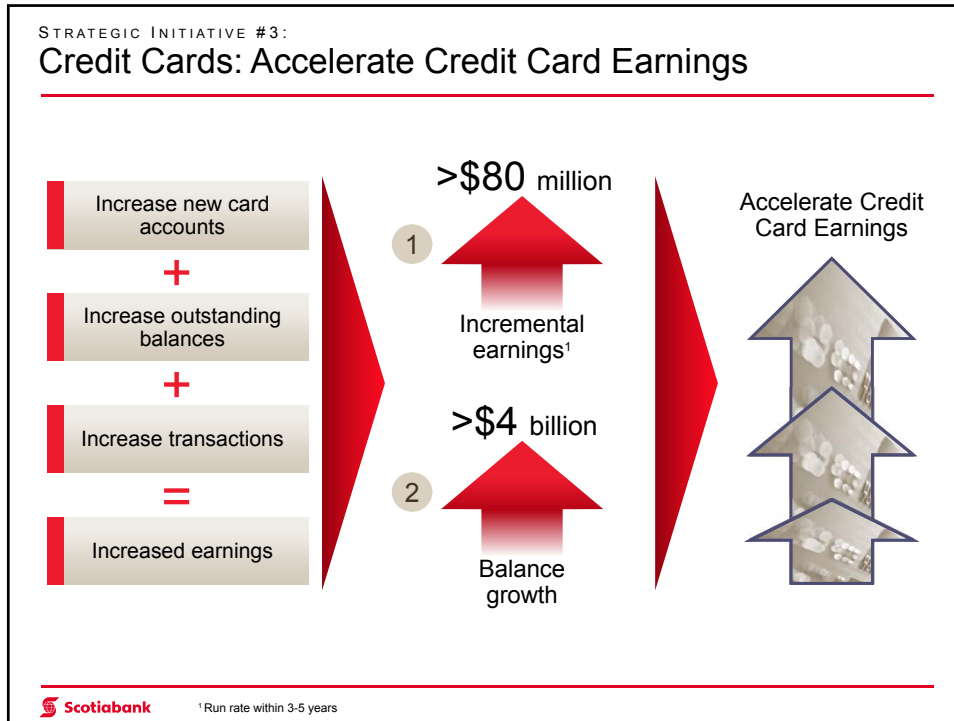
5-7%

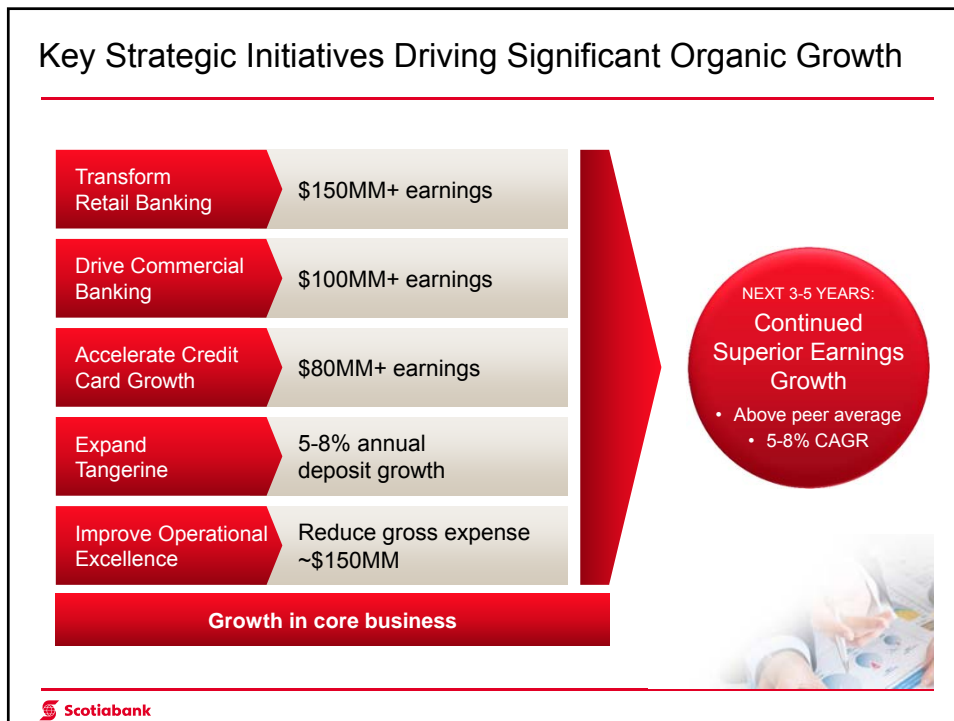
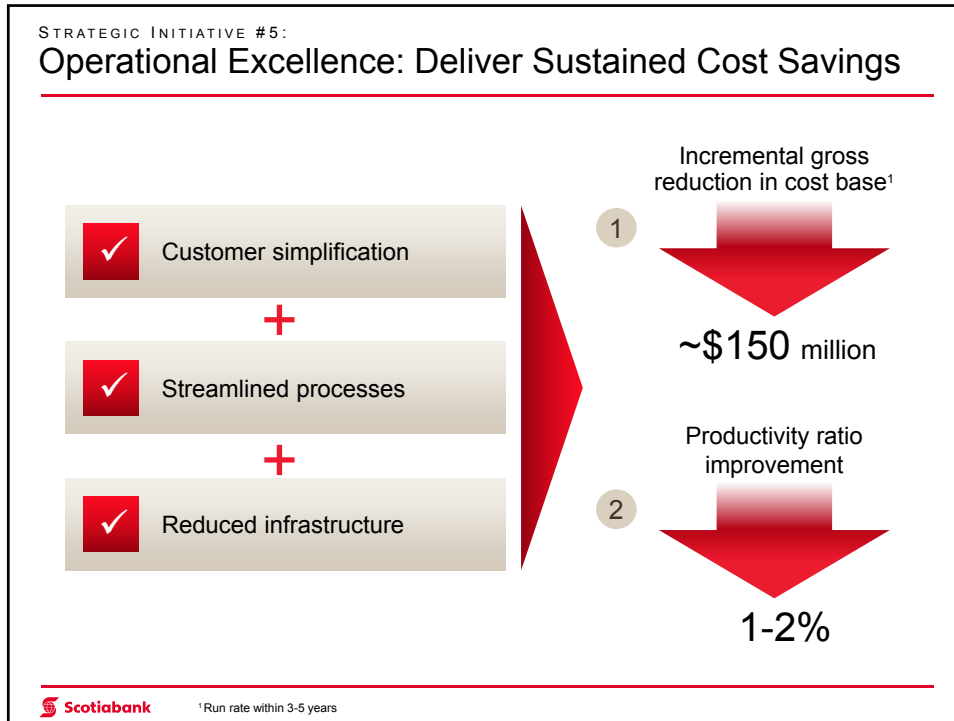
New client acquisition annual growth

1

2

¹Run rate within 3-5 years






IN SUMMARY

Positioned to Deliver Above Average Earnings Growth

Strong Performance	<p>Earnings growth above peers</p> <ul style="list-style-type: none"> ✓ 13% CAGR last 3 years ✓ Built market leading position in non-traditional acquisition channels
Differentiated Platform	<p>Competitive advantage</p> <ul style="list-style-type: none"> ✓ SCENE ✓ Automotive ✓ Mortgages ✓ Tangerine
Focused Strategy	<p>Focused strategic priorities</p> <ul style="list-style-type: none"> ✓ Transform retail banking ✓ Drive commercial banking ✓ Accelerate credit card growth ✓ Expand Tangerine ✓ Improve operational excellence

NEXT 3-5 YEARS:
Continued Superior Earnings Growth

- Above peer average
- 5-8% CAGR





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Financial Review & Operational Excellence

Laurent Mareschal
 Senior Vice President & Chief Financial Officer
 Canadian Banking

Agenda

Financial Review

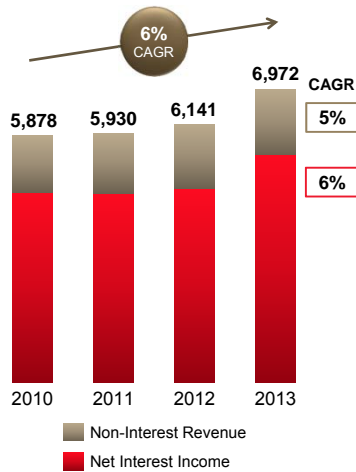
Operational Excellence

Targets

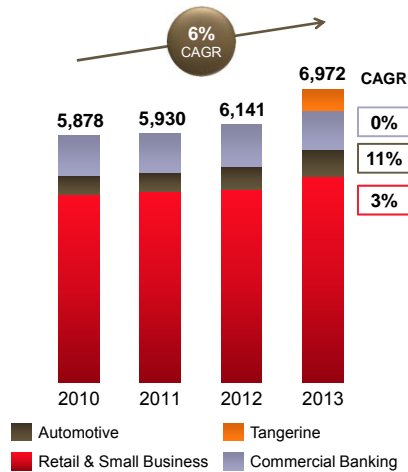


Strong Revenue Growth...

Revenue by Category¹
(\$ millions)

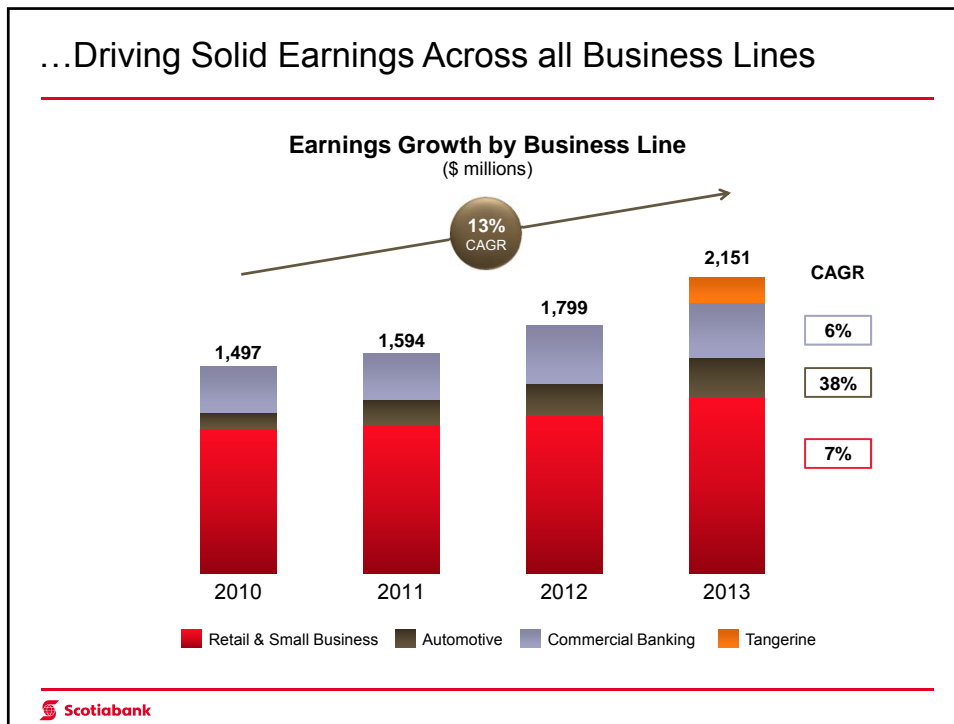


Revenue by Business Line¹
(\$ millions)

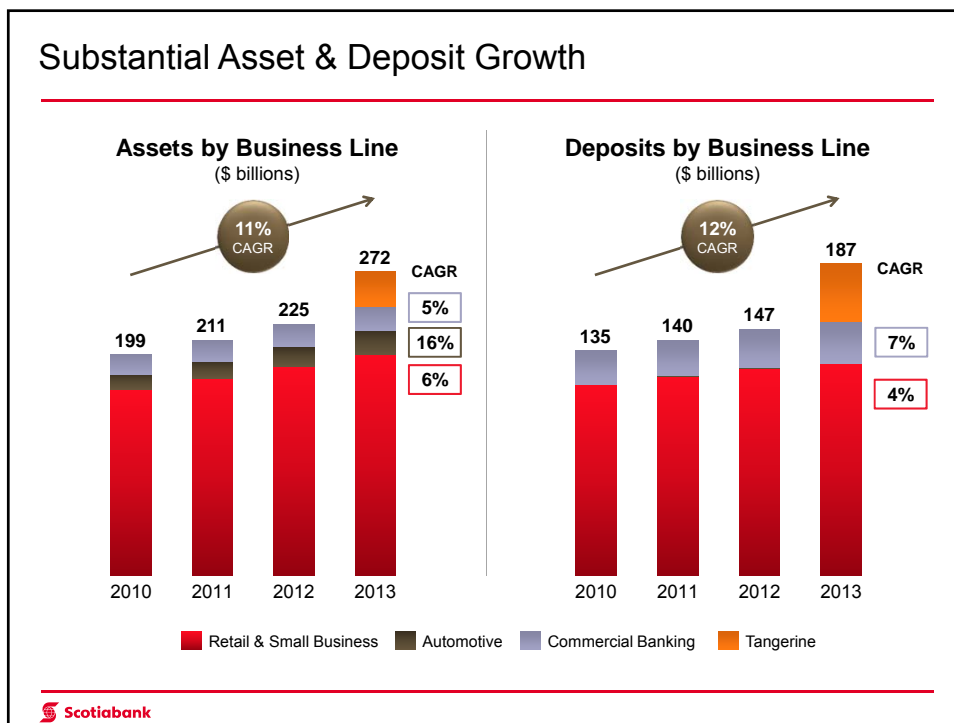


¹ Financial results for 2010 and 2011 have been adjusted to conform to current reporting standards

...Driving Solid Earnings Across all Business Lines



Substantial Asset & Deposit Growth



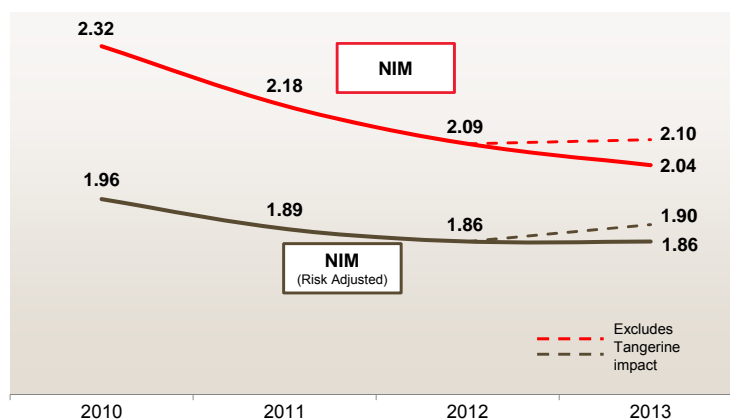
Strong Organic Growth, in Addition to Tangerine Acquisition

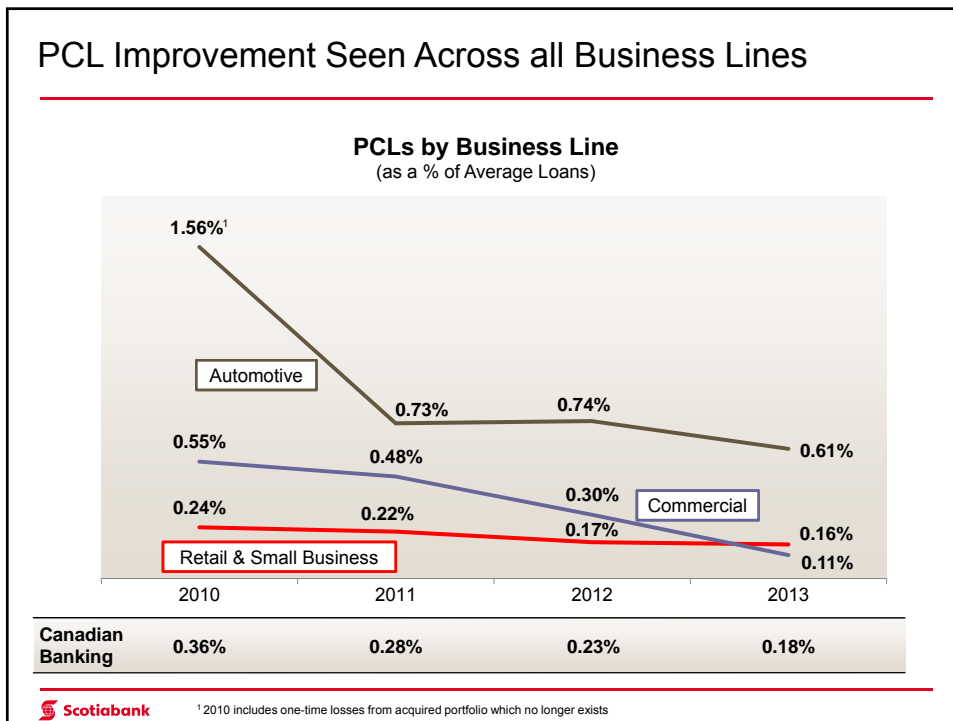
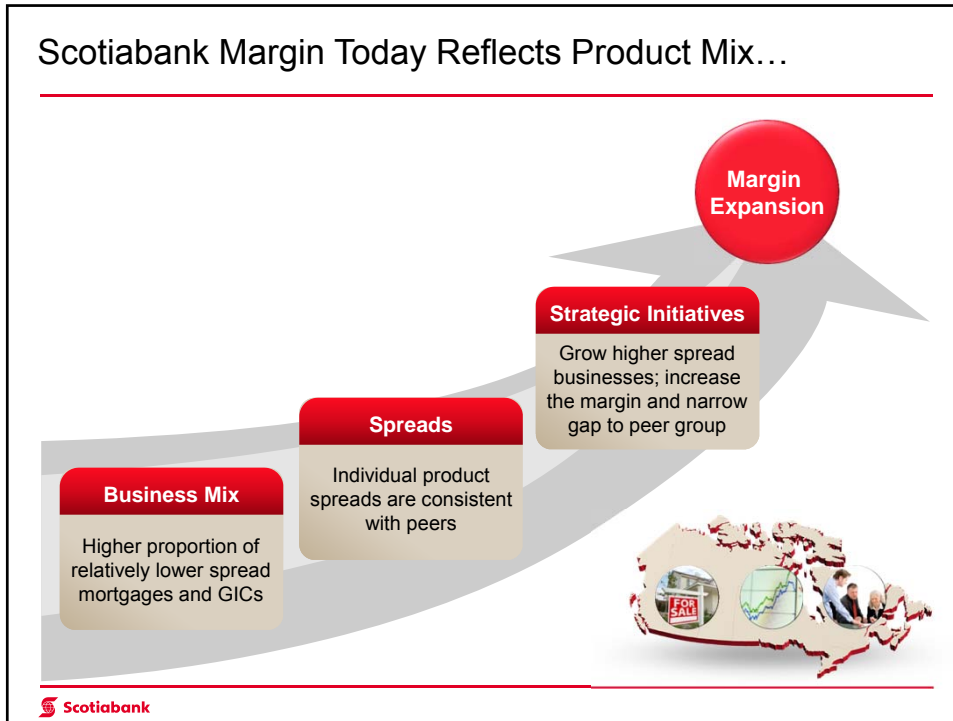
Key Financial Metric	Organic Growth (2010-2013)	Growth incl. Acquisitions (2010-2013)
Revenue Growth	3%	6%
Earnings Growth	9%	13%
Asset Growth	7%	11%
Deposit Growth	4%	12%

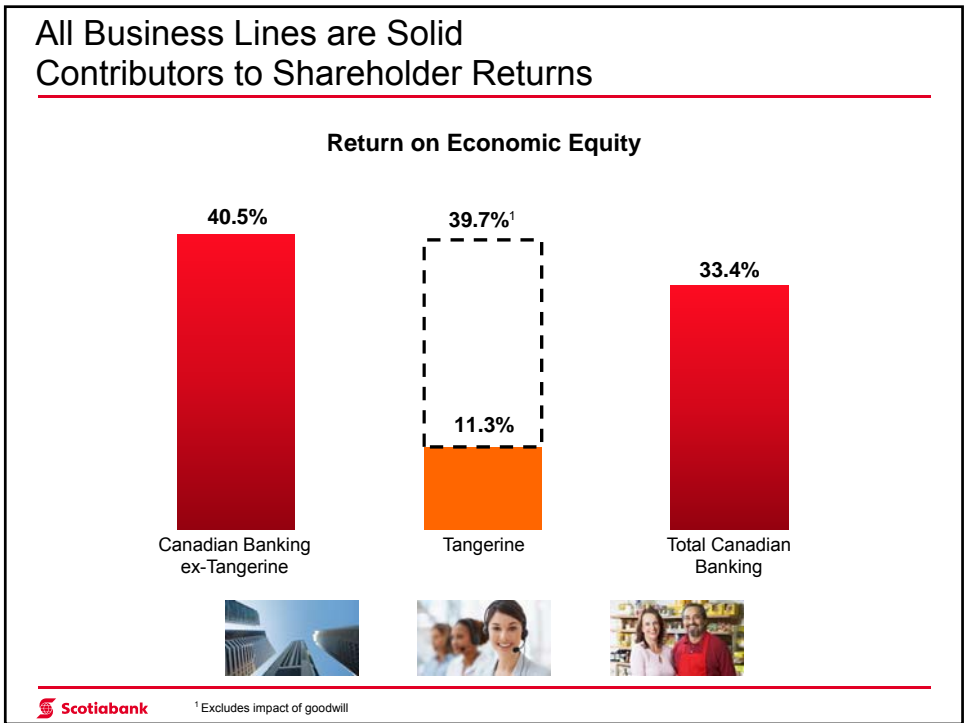
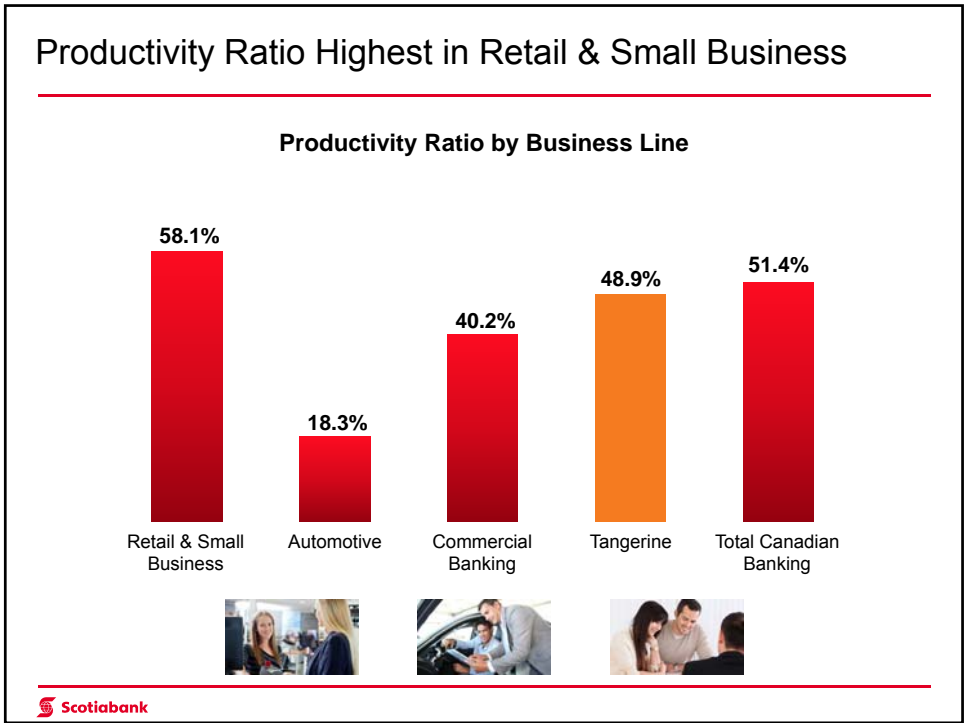


Margin Compression has Stabilized

NIM Compared to Risk Adjusted NIM







Agenda

Financial Review

Operational Excellence

Targets



Focused Approach to Operational Excellence

Customer Simplification

- Making it easier for the customer



Process Re-engineering

- End-to-end review
- Leverage automation & centralization opportunities



Cost Culture

- Leveraging Scotiabank's traditional low cost culture



Operational excellence = customer service excellence




Focused Programs Underway to Reduce our Cost Base

- 1 Eliminate non customer facing activities in branches
- 2 Optimizing our centralized, shared service, functions
- 3 Fully leveraging contact centre opportunities
- 4 End-to-end process re-engineering

Gross Reduction in Cost Base
~\$150 million¹

Improved Productivity Ratio
48-50%


 Scotiabank ¹Run rate within 3-5 years


Agenda

Financial Review

Operational Excellence

Targets



 Scotiabank

Canadian Banking: 3-5 Year Targets

Key Financial Targets	Target
Organic Earnings Growth (CAGR)	5-8%
Productivity Ratio	48-50%
Margin ¹	+10 bps
PCLs as a % of Average Loans	+5 bps



¹ Assuming constant interest rate environment

Solid Track Record for Continued Growth

Key Takeaways

- ✓ Strong track record of revenue & earnings growth
- ✓ Specific operational excellence initiatives to deliver significant impact
- ✓ Committed to delivering clear performance goals – ahead of peer average





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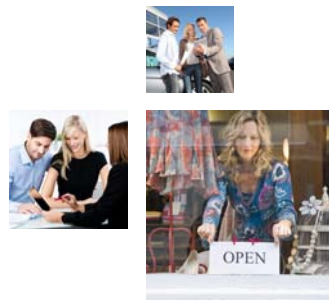
Retail Lending, Deposits & Services
Robin Hibberd
Executive Vice President
Retail Products & Services

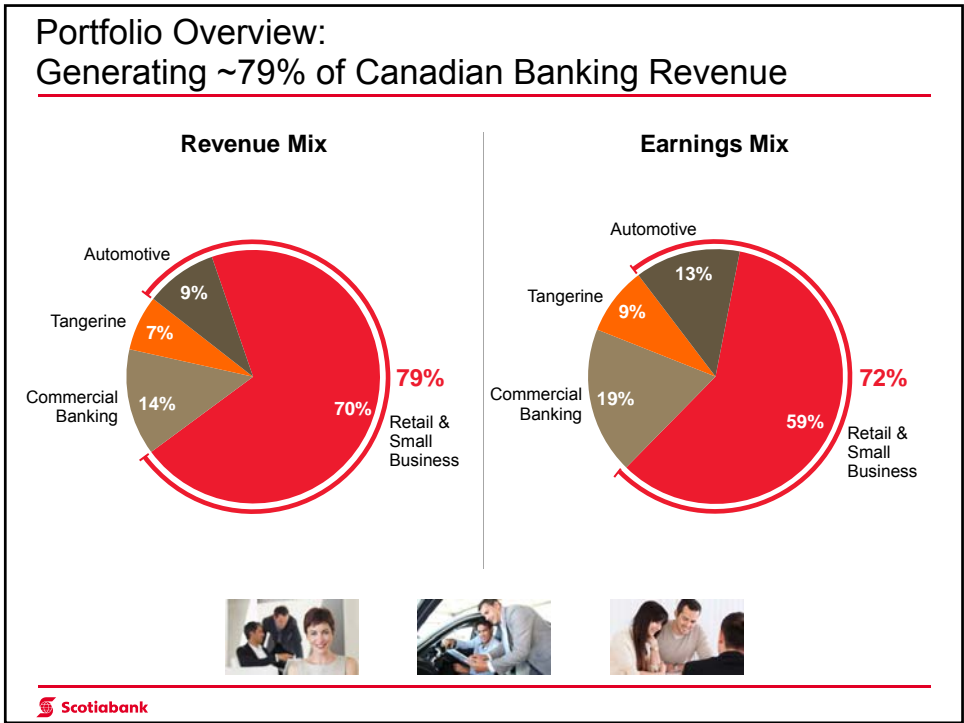
Agenda

Business Overview

Trends Impacting Retail Banking

Select Initiatives

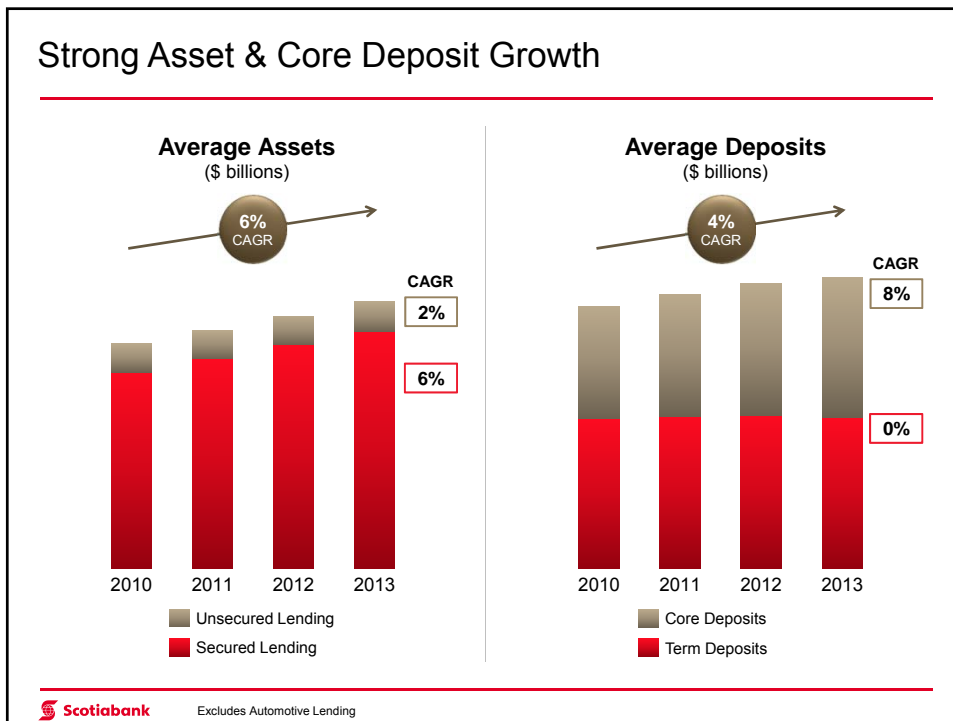
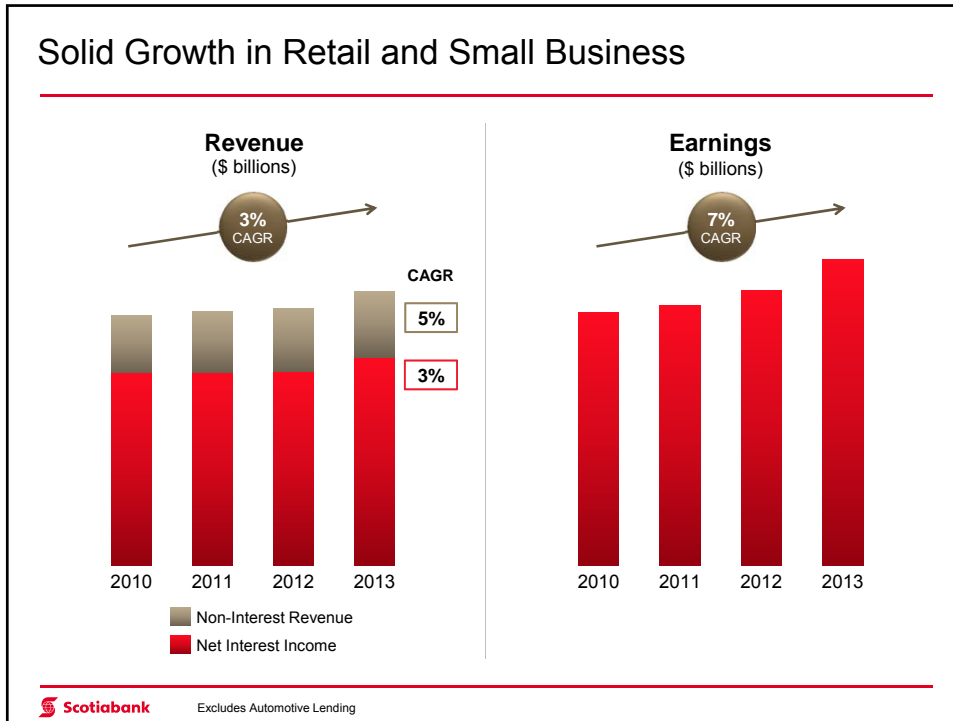




Retail and Small Business Today

Assets	\$198 billion
Deposits	\$126 billion
Revenue	\$4.9 billion
Customers	>7.6 million
Distribution channels	13

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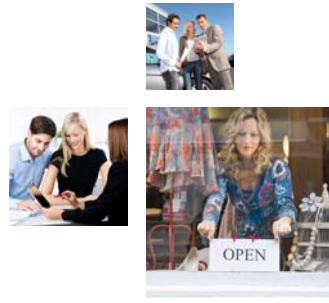


Agenda

Business Overview

Trends Impacting Retail Banking

Select Initiatives



Well Positioned to Capitalize on Market Trends

Trends

Scotiabank Positioning



Evolving modes of customer transactions

- Deliver innovative products
- Build strategies to leverage emerging and profitable customer segments



Data and analytics

- Importance of deep insight & analytics



Sustainable housing market

- Importance of multi-channel distribution

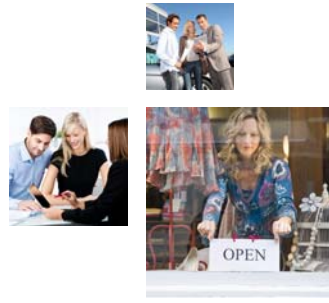


Agenda

Business Overview

Trends Impacting Retail Banking

Select Initiatives



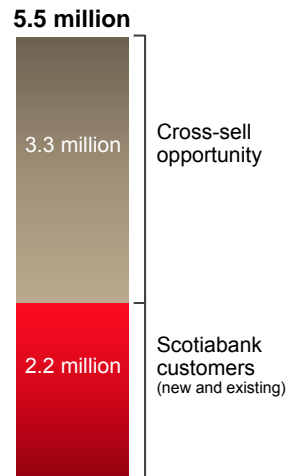
Select Initiatives

1. Leverage SCENE as unique customer loyalty program
2. Maintain diverse and profitable deposit offerings
3. Drive deeper customer relationships through data and analytics
4. Strong risk management culture



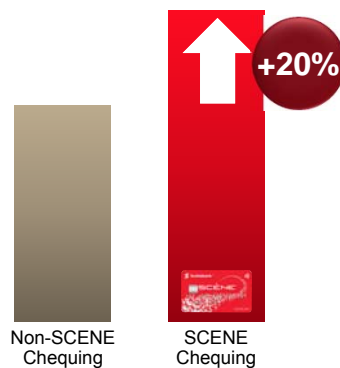
1. SCENE: Delivering Loyalty and Customer Acquisition

- SCENE ranks #1 for satisfaction among Canadian loyalty programs
- Key growth driver in the 18-44 age category; positions Scotiabank to win in this segment
- Over 900,000 new members in 2012 and over 1 million in 2013



1. SCENE Program Delivers Higher Loyalty

Retention Rates







- Higher transactions
- Stickier deposits
- Higher loyalty
- Increased cross-sell



Younger customer base provides long-term revenue growth potential



2. Maintain Diverse and Profitable Deposit Offerings

	Funding Value	Driving Profitability	Deepen Customer Relationship
 Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
 Term	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
 Broker	<input checked="" type="checkbox"/>		
 Mutual Funds		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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3. Advanced Analytics Capabilities to Increase Cross-sell and Reduce Costs



Advanced analytics → right product, right customer, right time

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4. Build on Strong Risk Management Culture

Our Strengths		
Culture	Data and Analytics	Investment in Technology
<ul style="list-style-type: none"> PCLs lower than competitors due to our risk profile and credit quality Pervasive risk management culture 	<ul style="list-style-type: none"> Leveraging data to gain customer insights Using enhanced predictive risk models 	<ul style="list-style-type: none"> Smarter / faster adjudication Collections system and dialer technology Data mart capabilities

Evolving Focus



Key Takeaways

- Our Track Record** Strong performance and superior growth; excellence in managing risk
- Data and Analytics** Positioned to succeed in current environment by managing data and analytics
- Deposits** Building stronger customer relationships, delivering funding value and driving profitability
- SCENE** Acquisition & loyalty program that is delivering profitable and deeper customer relationships





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Real Estate Secured Lending
John Webster
Senior Vice President & Head
Real Estate Secured Lending

Agenda

RESL Overview – A Differentiated Offering

Market Trends


Strategic Platform




The Business Today

Significant Scale

Revenue	\$1.4 billion
Average Assets	\$176 billion
RESL market position	#3
Acquisition channels – branch, broker and direct sales force	3 channels
Position in broker channel	Leader

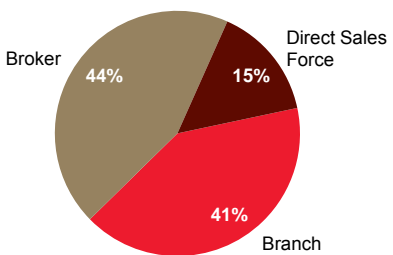


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Differentiated Operating Model


- ✓ Acquire net new customers
- ✓ Strong long-term potential for first-time homeowners entering new life stage
- ✓ Cross-sell to deepen relationship

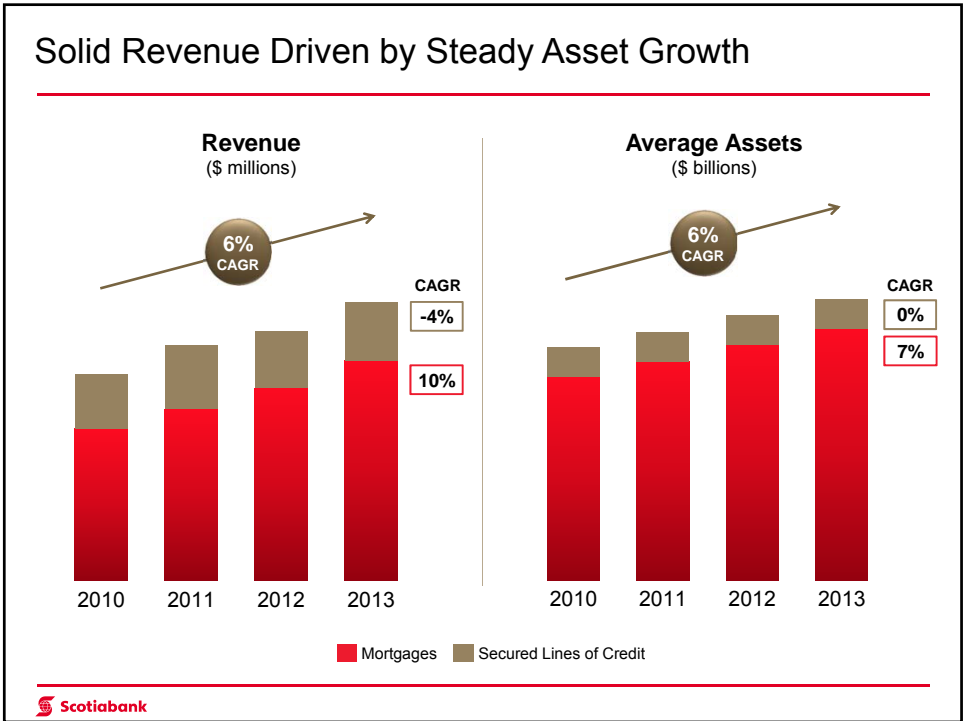
New Business by Channel (assets)

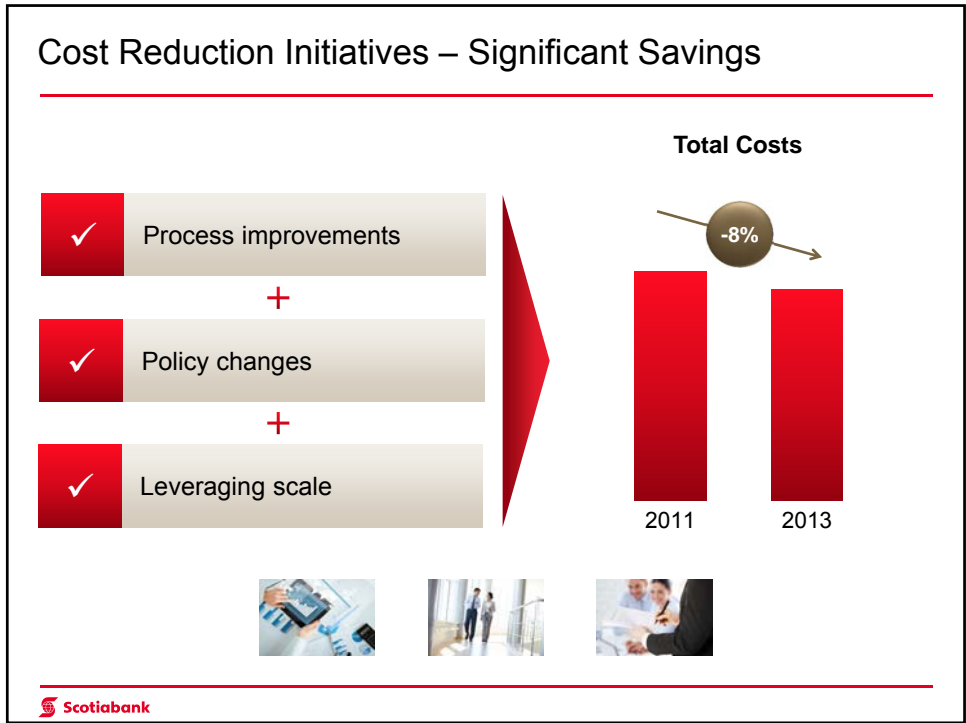


Channel	Percentage
Broker	44%
Branch	41%
Direct Sales Force	15%

 Scotiabank





Agenda

RESL Overview – A Differentiated Offering

Market Trends

Strategic Platform

Scotiabank

Market Trends

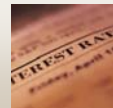
Different Types of Consumers

- ✓ Consumers source mortgages through different channels
- ✓ Not all consumers are the same



Consumer Indebtedness

- ✓ Low interest rates
- ✓ New lending showing signs of slowing



Sustainable Housing Market

- ✓ Stable valuations
- ✓ Tighter regulations



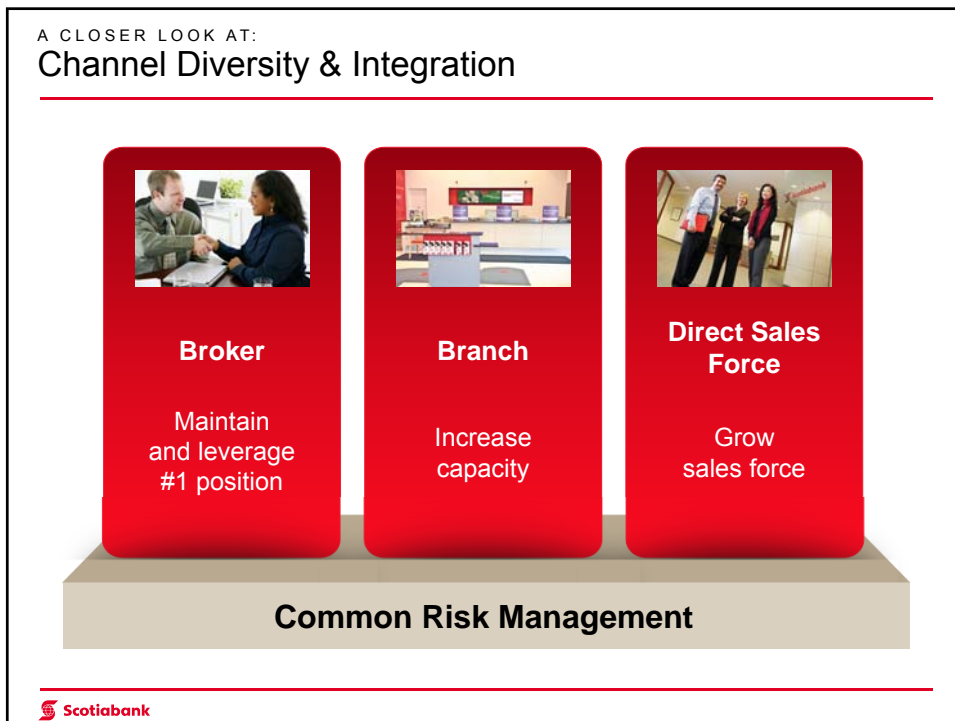
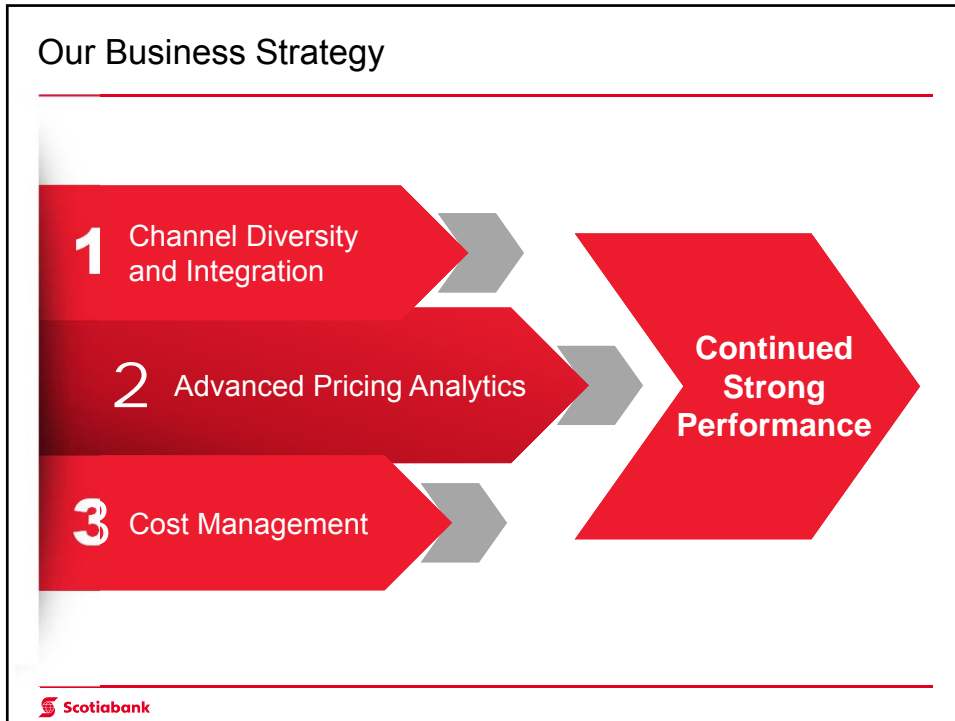
Agenda

RESL Overview – A Differentiated Offering

Market Trends

Strategic Platform





A CLOSER LOOK AT:
Differentiated Broker Operating Model

- ✓ **Small selection of high quality and high producing brokers**
- +
- ✓ **Strong broker relationship & servicing management**
- +
- ✓ **Channel is focused on new business origination**

Market Leader in Broker Channel

A CLOSER LOOK AT:
Unique Broker Model Drives Acquisition and Cross-sell

Broker Mortgage Lifecycle

Originate
 44% of mortgage business; broker commission paid

Branch Referral
 100% of broker mortgage relationships sent to branch

Cross-sell
 40% of new broker customers buy at least one non-RESL product within 90 days of mortgage origination

Renew
 Over 80% of broker mortgages renew in-branch at no commission

A CLOSER LOOK AT:
Direct Sales Force Opportunity

Direct Sales Force Business Contribution
 (new assets)

2013

→

3-5 Year Target

- ✓ Increase hiring of top performers
- ✓ Build robust support engine to deliver superior level of customer service
- ✓ Better technology and training
- ✓ Deepen sales management

Key Takeaways

1	Strong RESL performance	
2	Positioned to deliver in current environment	
3	Differentiated framework and solid strategy for growth	
4	Successful integration of broker customers	



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Canadian Banking
Investor Day
Thursday, April 24, 2014

Automotive Overview
Kevin Teslyk
Senior Vice President
Automotive Finance & Indirect Lending

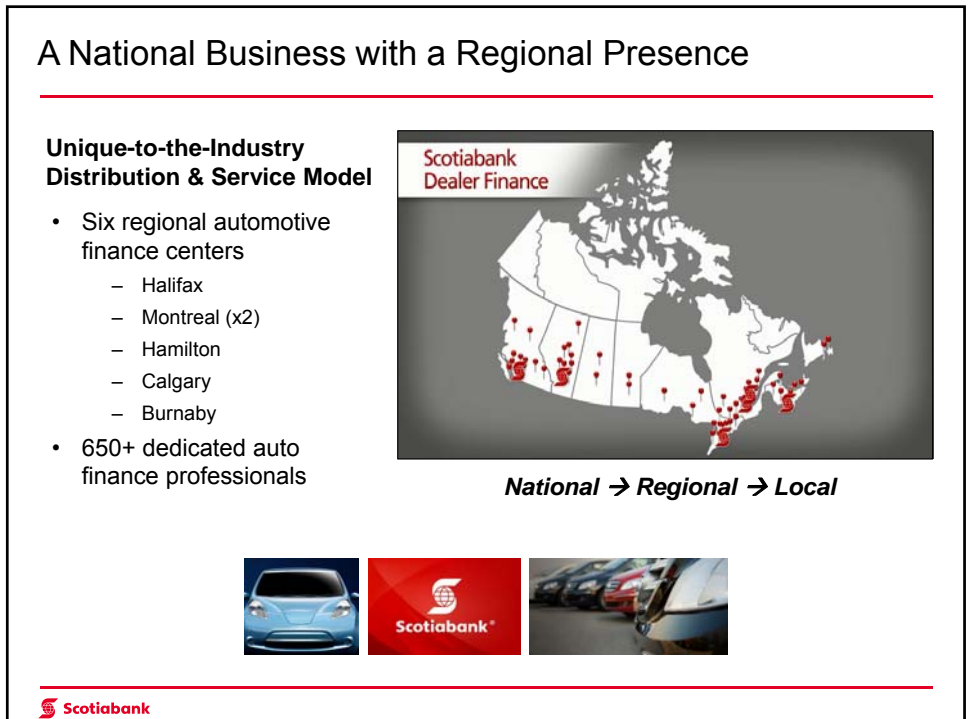
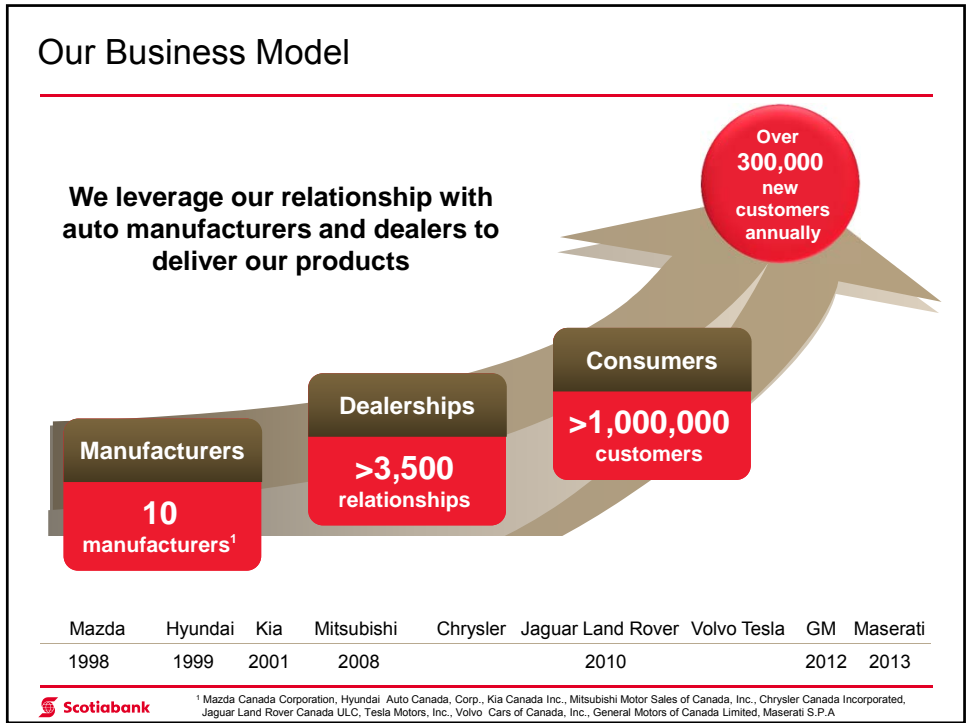
Agenda

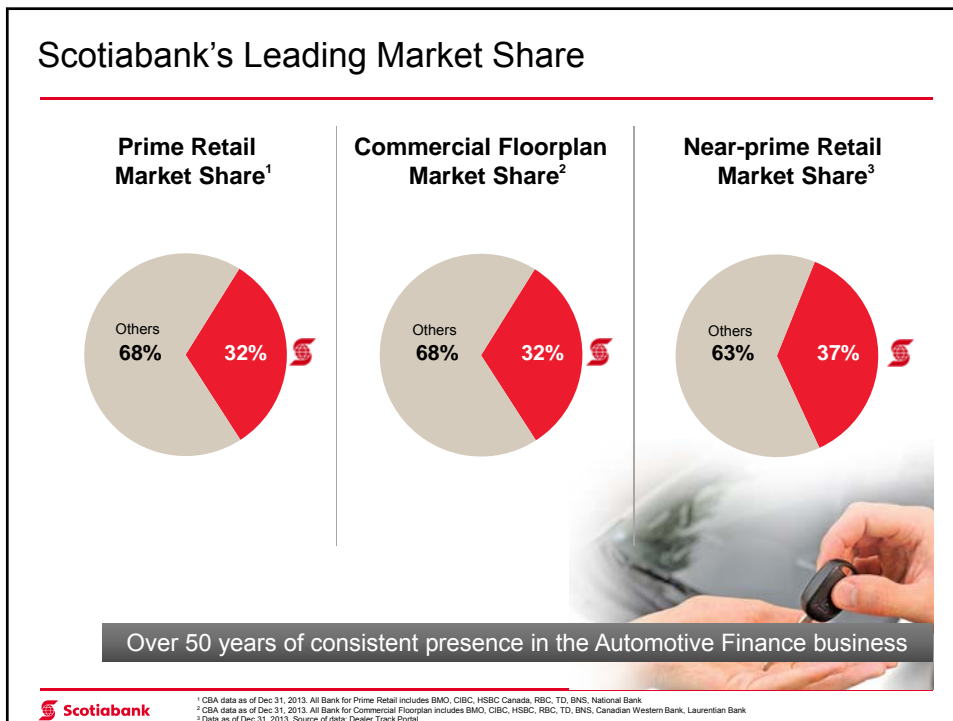
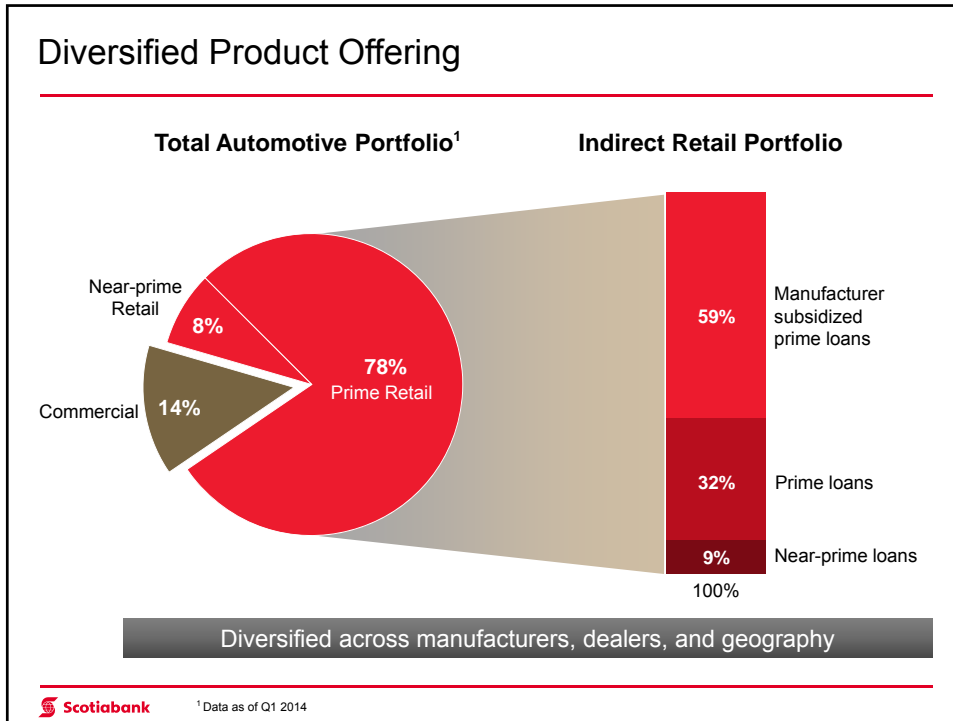
Business Overview

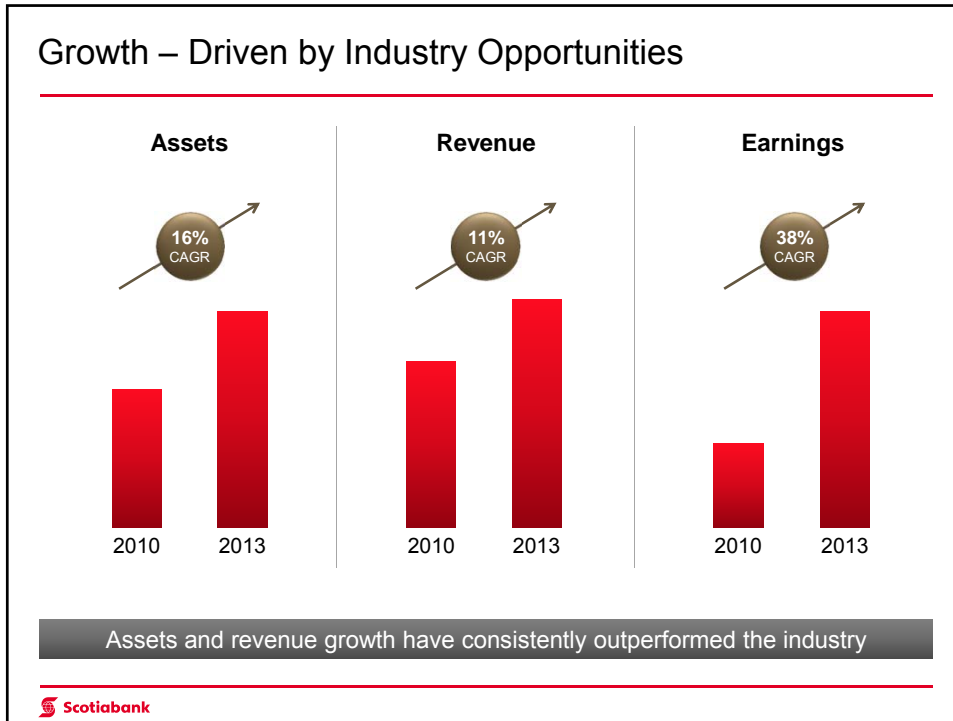
Market Trends

Key Priorities













Agenda

- Business Overview
- Market Trends**
- Key Priorities


Aligned to Market Trends → Positioned for Growth


	Trends	→	Our Opportunities
Fewer Captive Finance Providers	<ul style="list-style-type: none"> • More banks in auto finance space 		<ul style="list-style-type: none"> • Leverage our manufacturer relationships
Dealership Consolidation	<ul style="list-style-type: none"> • Manufacturer re-image requirements • Dealership succession 		<ul style="list-style-type: none"> • Commercial term loans • Provide acquisition financing
Age of Vehicles Increasing	<ul style="list-style-type: none"> • 8.1 million vehicles on the road 10 years or older 		<ul style="list-style-type: none"> • 1.4 million annual vehicle replacement requirement provides a \$35 billion market¹

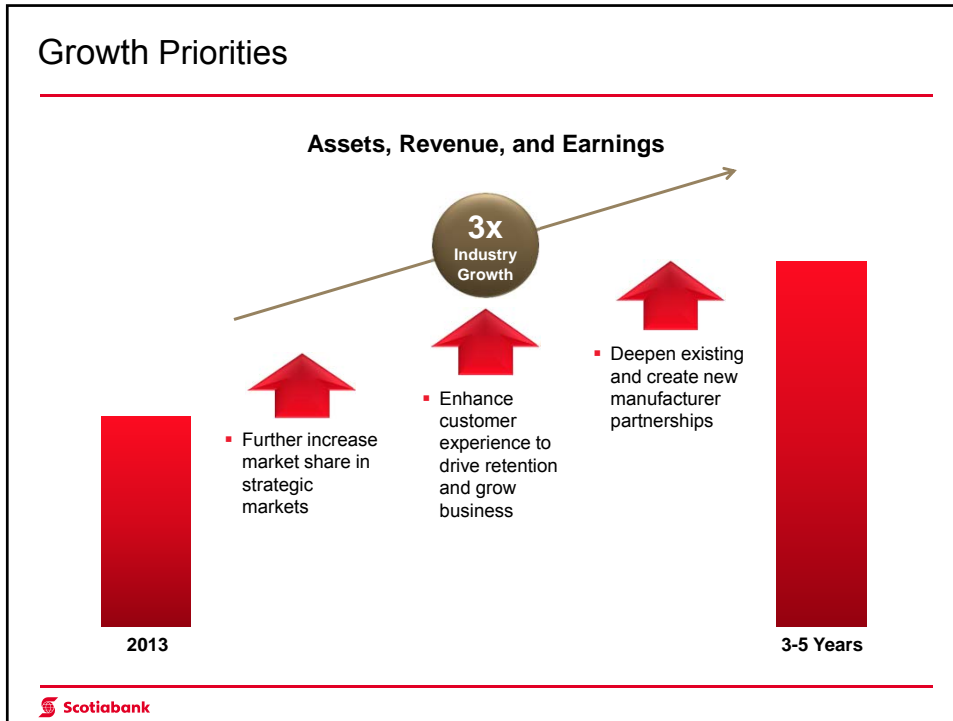
 ¹ Vehicles no longer road worthy based on age/condition with an average replacement cost of \$25,000

Agenda

- Business Overview
- Market Trends
- Key Priorities







Manufacturer Partnerships are Key

Deepen and Grow Relationships

Manufacturer	Since	Status
Mazda	1998	Exclusive
Hyundai	1999	Semi-exclusive
Kia	2001	Semi-exclusive
Mitsubishi	2008	Exclusive
Chrysler	2010	Semi-exclusive
Jaguar Land Rover	2010	Exclusive
Volvo	2010	Exclusive
Tesla	2010	Exclusive
General Motors	2012	Semi-exclusive
Maserati	2013	Exclusive

- Diversified brands provide stability for our business
- Commercial, corporate, and retail growth opportunities for Scotiabank
- Deliver leading service to dealers and customers to support manufacturer sales efforts

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Key Takeaways

- 1 Industry leading strategy and structure
- 2 Manufacturers, dealers, and consumers are a steady source of new customers
- 3 Diversified portfolio, well managed risk
- 4 Leading market share → outperforming the market



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Retail Distribution
James McPhedran
Executive Vice President, Retail Distribution
Canadian Banking


Agenda

Retail Distribution Overview

Customer Trends




Our Strategy








The Business Today

Our Channels

People	Digital & Direct	Indirect
<ul style="list-style-type: none"> Branches Contact centres Small business advisors Mobile advisors 	<ul style="list-style-type: none"> Online Mobile ABMs Telephone IVRs 	<ul style="list-style-type: none"> SCENE Auto Mortgage brokers Multicultural partners Partner ABMs
 <p>Service, Advice & Solutions</p>	 <p>Making Banking Easier</p>	 <p>Distribution Extension</p>



Growth Fuelled by Disciplined Customer & Sales Focus

Credit Card Unit Sales



Higher proportion of revenue generating fee-based cards: 56% in 2013 vs. 50% in 2010

17%
CAGR
2010-2013

Chequing Accounts



Strong account growth with **double** the fee-based packages in 2013 vs. 2010

7%
CAGR
2010-2013

Mortgage Retention



Focus on retention and renewals driving strong retention success

+3%
2010-2013



Supported by Increasing Customer Satisfaction...

External Measure:
Growth vs. Peers

	2010	2013
Branch	4 th	2 nd
Mobile	n/a	2 nd
Online	3 rd	3 rd

Internal Measure:
Record High
Customer Satisfaction

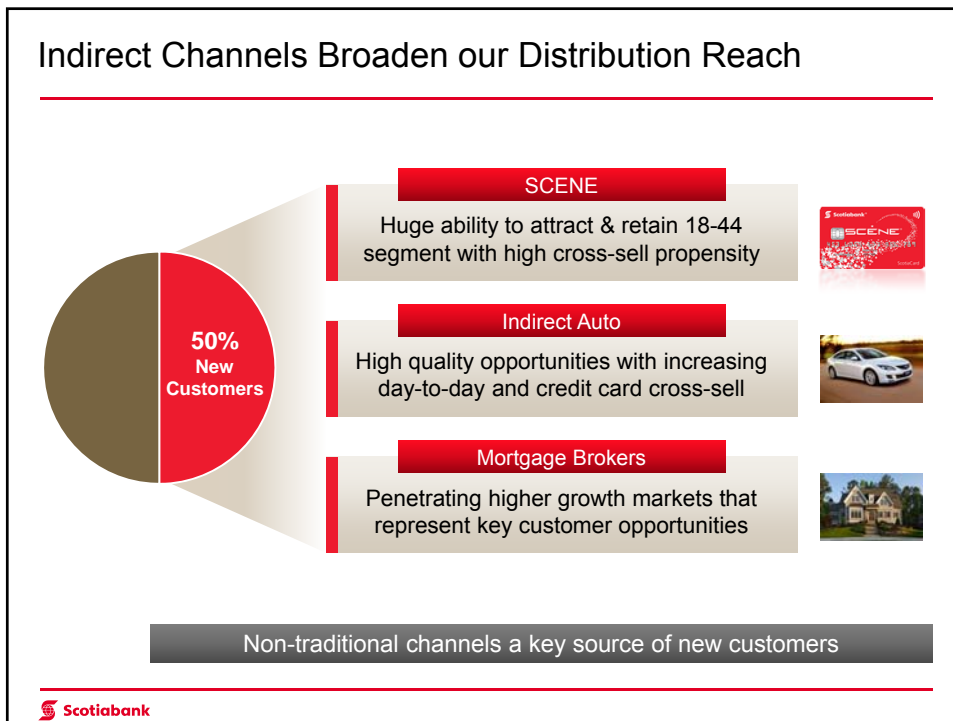
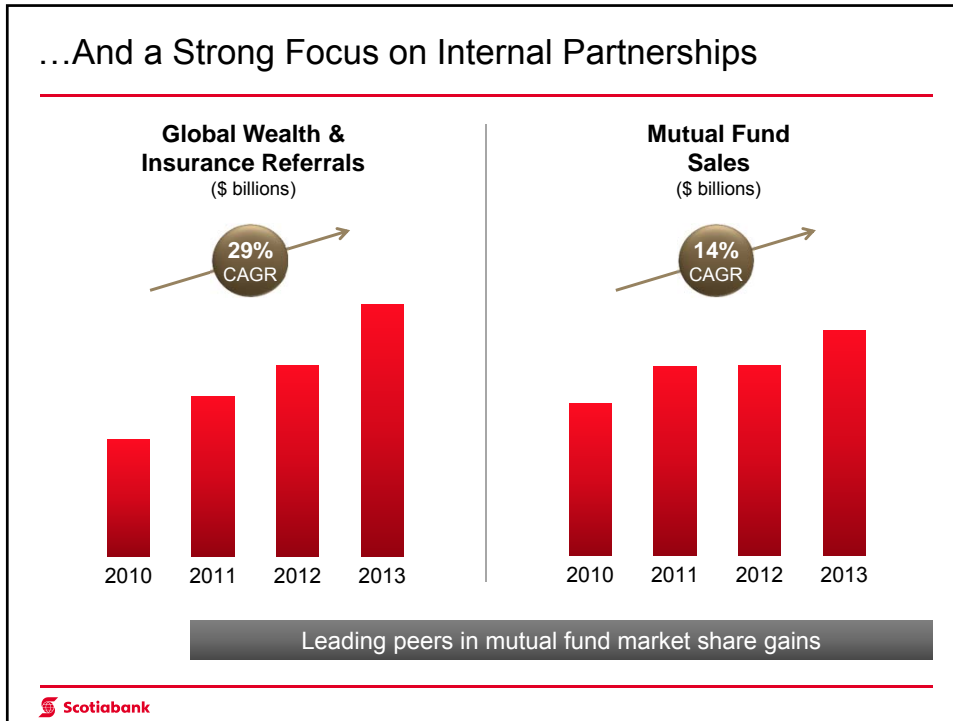


Industry Leading
Performance

- Customer retention
- Customer share of wallet



Sources: 2013 Year-End Ipsos CSI, Ipsos CFM, Hay Switching





Agenda

Retail Distribution Overview

Customer Trends

Our Strategy





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Market Trends Demonstrate Changing Customer Needs

Service	Expectations higher than ever
Advice	Critical to customer confidence and loyalty
Loyalty	Switching less, consolidating relationships
Channels	Adding to choices, not replacing

Invest to retain & deepen relationships



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Advice is Critical to Customer Confidence...

When advice is delivered and a financial plan completed, customer sentiment increases significantly



- ✓ Overall contentment ↑ **+37%**
- ✓ Emotional well-being ↑ **+47%**
- ✓ Long-term financial well-being ↑ **+77%**

Moved from #4 to #1: Financial Planning & Advice (2010 vs. 2013)

 Sources: Market Research March 2014, 2010 & 2013 Year-End Ipsos CSI

...Which Translates to Higher Ratings & Loyalty...

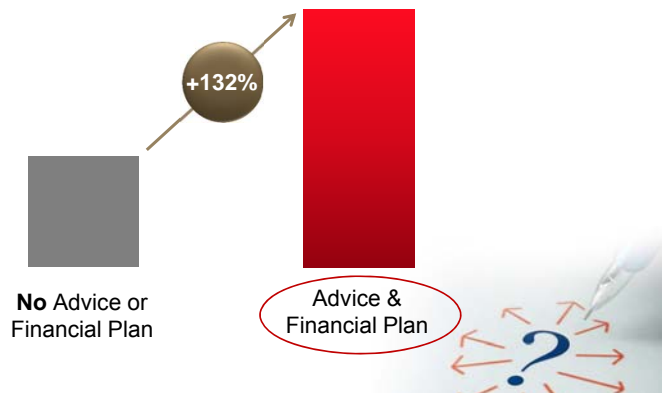
	Overall Customer Satisfaction Rating	Customer Loyalty
Advice Delivered	71%	59%
No Advice	27%	13%



 Market Research 2013

...And an Increase in Customer Balances for Scotiabank

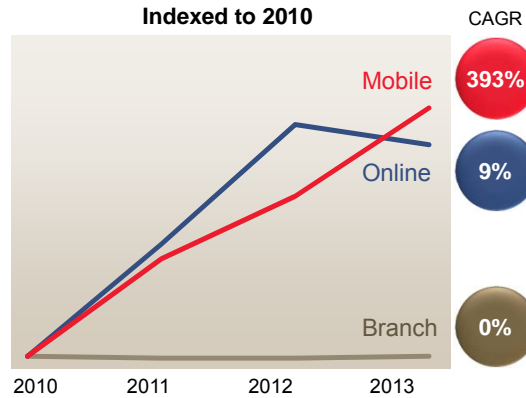
Average Investment Balance Growth
Over 12 Months



Higher share of wallet when customers use multiple channels

Customers Adding to Channel Choices, Not Replacing

Annual Customer Interactions
Indexed to 2010



- Cross-sell 2x higher when customers use multiple channels
- Branch remains primary channel for advice & sales

2013 voted **best** internet & mobile bank by Global Finance

Agenda

Retail Distribution Overview

Customer Trends

Our Strategy



Retail Transformation Program: Significant Investment

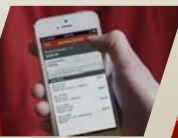
1

Leverage advanced customer analytics



2

Expand channel capabilities



3

Execution of segmented advice & sales focus



Largest customer experience change program in a decade



1. Leverage Advanced Customer Analytics

Increase Customer Relevance

- Interactions will better reflect all shared information and goals
- Will receive broader array of timely and insightful advice, product, service related opportunities

+

Maximize Sales Potential

- Leverage analytics to substantially increase, predict and distribute multiple offers across all channels
- Increased offer acceptances, calibrated to key customer segments

2x

increase in lead generated
product sales per year



2. Expand Channel Capabilities

Making Banking Easier for Customers

Easier to Serve

- New telephone IVRs
- Multichannel appointment booking
- ABM access for Tangerine customers

+

Easier to Buy

- First Canadian bank to launch mobile banking sales
- Next generation e-commerce
- Click-to-chat / call



3. Advice & Sales Focus – Enhanced Segmentation

Our Approach

- ✓ 7 million customers within 4 enhanced segments
- ✓ Realigning organization to highest growth potential
- ✓ Consistent, excellent service for all segments



Focus on two Key Segments

Customer Segments	Current Value	Future Potential
1	High	High
2	Low	High
3	High	Low
4	Low	Low



3. Execution of Segmented Advice & Sales Focus

Identified Opportunity

Customer loans & deposits with competitors



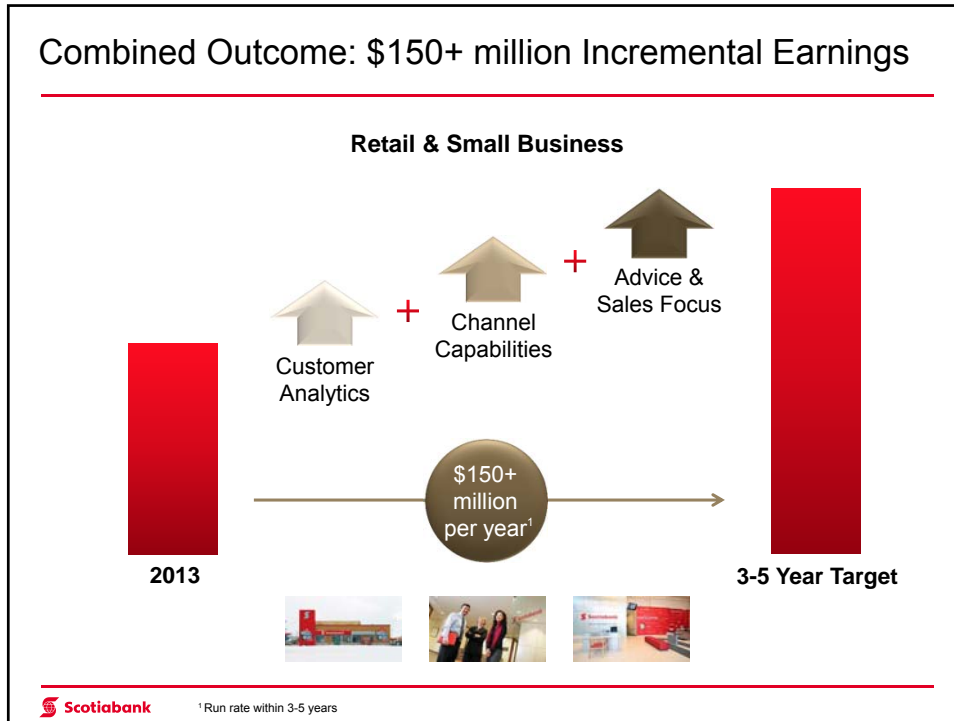
Focus

Top potential customer segments



- ✓ Roles / channels aligned to capitalize on enhanced segmentation
- ✓ New training, tools and financial planning platform
- ✓ New mobile salesforce: aggressive focus on non-primary customers





IN SUMMARY

Driving \$150+ million Incremental Annual Earnings

Key Takeaways

- Strong business performance
- Capitalizing on customer trends
- Executing customer-centric change program to add \$150+ million to earnings

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Thursday, April 24, 2014

Growing Our Payment Business
Mike Henry
Senior Vice President
Retail Payments, Deposits and Lending

Agenda

What are Payments?

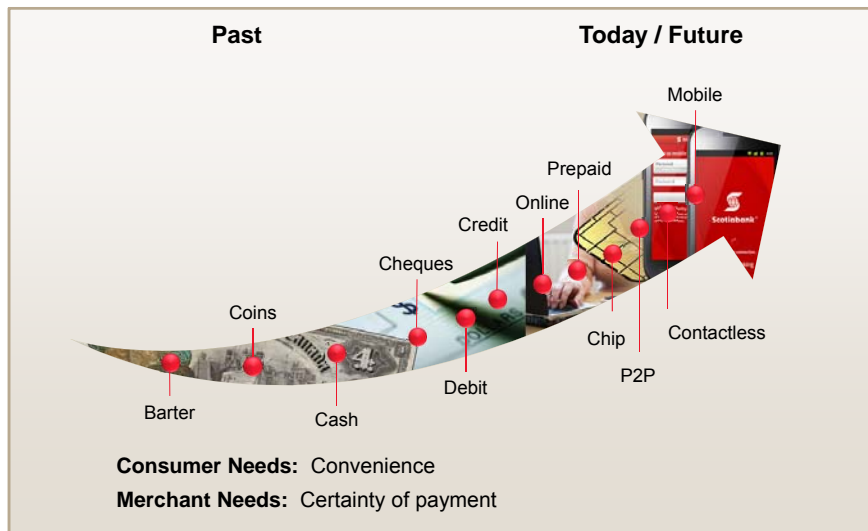
Performance Highlights

Market Dynamics

Strategic Focus & Initiative Highlights







The Evolving Role of Payments: The Pace is Accelerating






Payments as We Think of Them Today


Payments = “How Customers Pay”

Day-to-Day Accounts	Credit Cards	Emerging	Related Services
<ul style="list-style-type: none"> ✓ Chequing ✓ Debit ✓ Bill payments ✓ Cash 	<ul style="list-style-type: none"> ✓ Low Rate ✓ Travel ✓ Cash back ✓ Entertainment 	<ul style="list-style-type: none"> ✓ VISA debit ✓ Prepaid ✓ eWallets ✓ Mobile payments 	<ul style="list-style-type: none"> ✓ Person-to-person ✓ Overdraft ✓ Drafts ✓ Wires ✓ And much more 






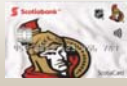


Why Payments are Critical


Profitable	Critical to Customer Relationship	Source of Data
<ul style="list-style-type: none"> ✓ High risk-adjusted margin ✓ High ROE ✓ Counterbalance NII 	<ul style="list-style-type: none"> ✓ Higher retention ✓ Higher cross-sell ✓ Higher satisfaction ✓ Higher relationship profitability 	<ul style="list-style-type: none"> ✓ Helps increase engagement ✓ Reduces fraud ✓ Improves risk management 



Scotiabank Delivers Best in Class Loyalty & Reward Programs




Credit Cards	Chequing
 <p>Voted #1 rewards travel card in 2013 by www.ratesupermarket.ca</p>	 <p>Highest satisfaction rating of any Canadian debit rewards program¹</p>
 <p>Voted #1 cashback card in 2013 by <i>Moneysense</i></p>	 <p>Canada's first and only cashback bank account</p>
 <p>Voted #1 business card in 2013 by <i>Moneysense</i></p>	 <p>Canada's first and only NHL debit card</p>


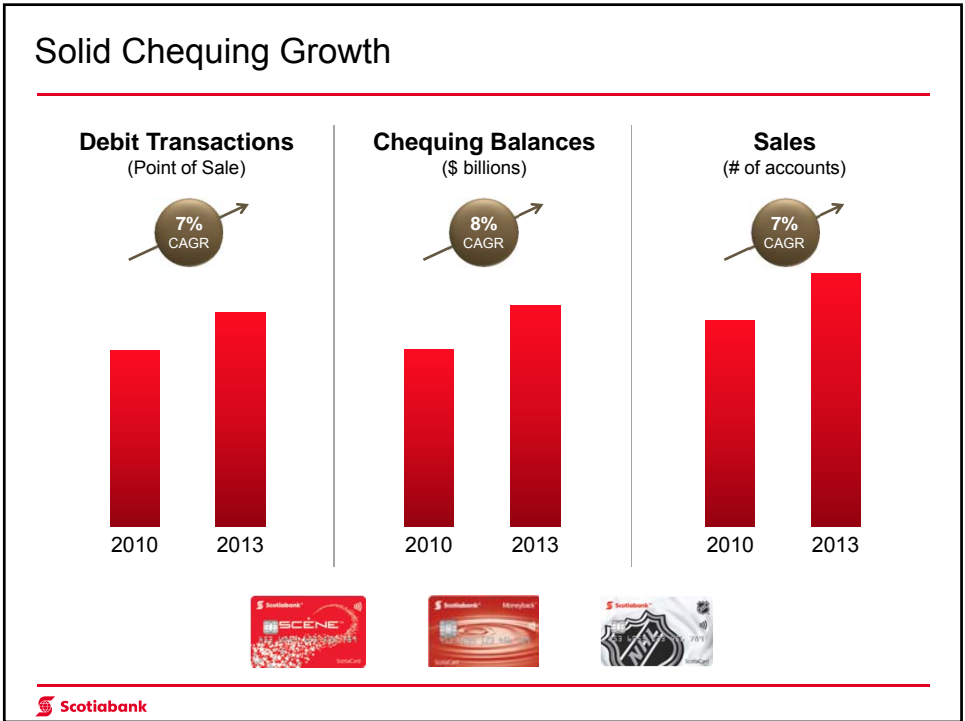
Delivering customer value & choice to drive engagement, usage & loyalty

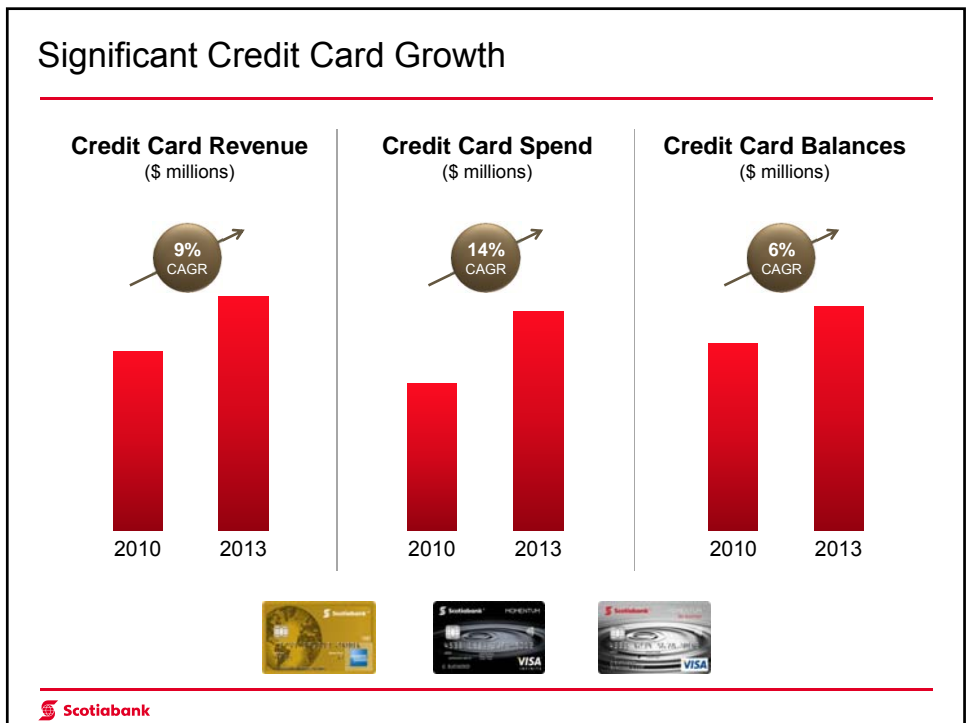
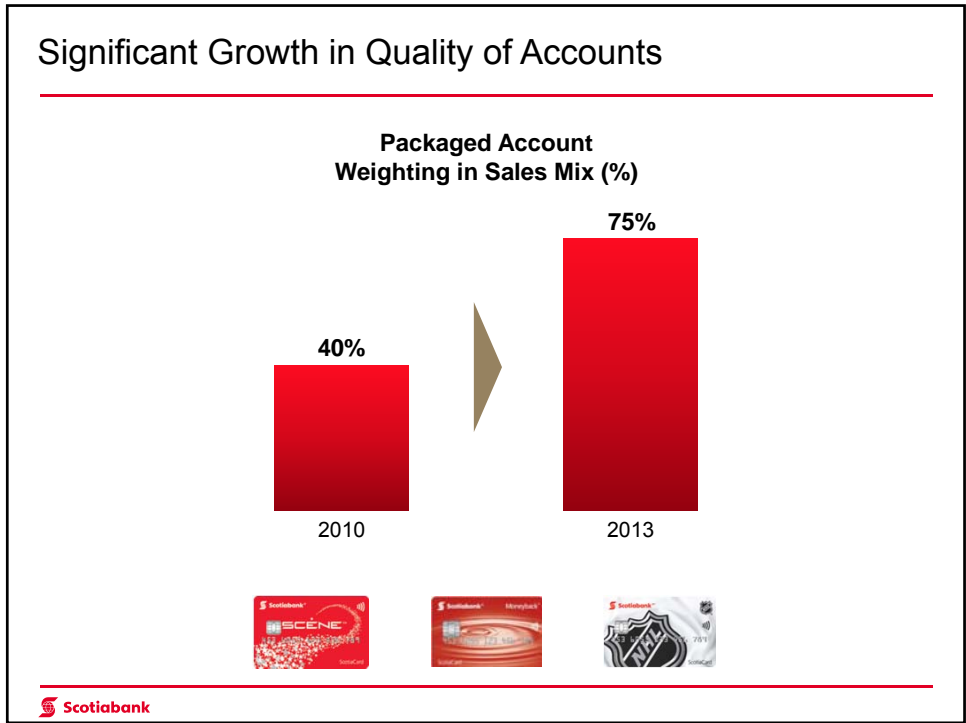
 ¹ Source: Maritz Loyalty Report, 2014

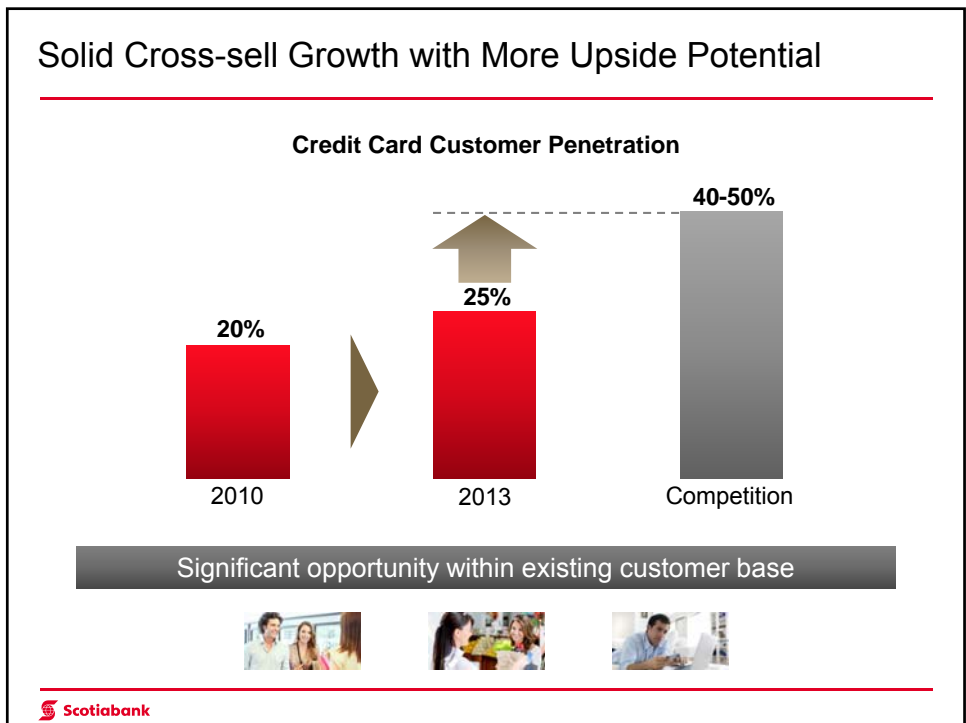
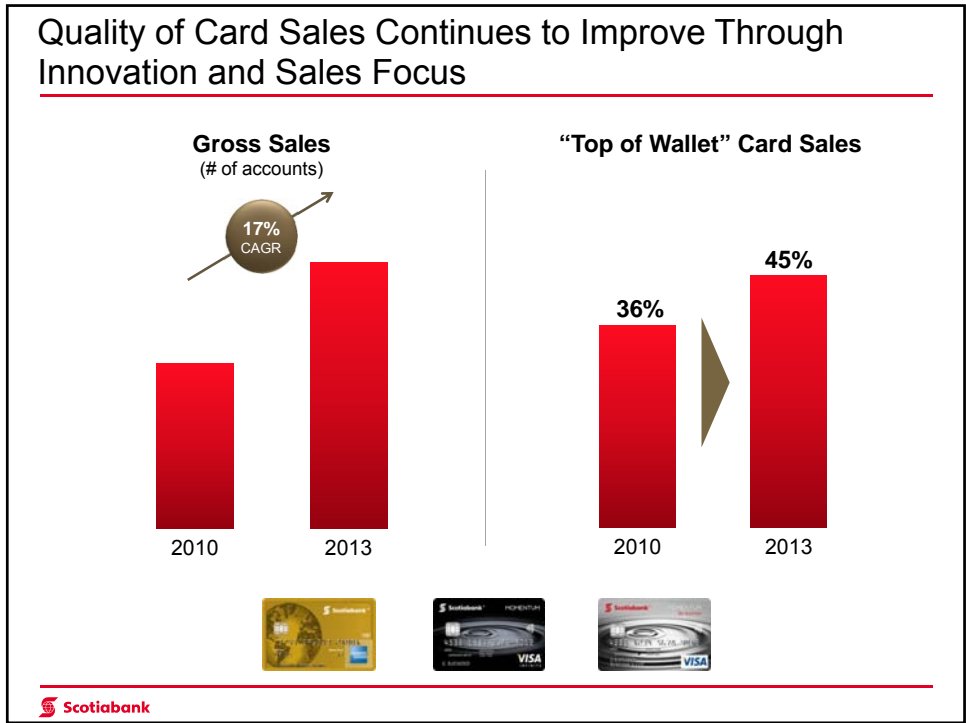
Agenda

- What are Payments?
- Performance Highlights
- Market Dynamics
- Strategic Focus & Initiative Highlights





Agenda

What are Payments?

Performance Highlights

Market Dynamics

Strategic Focus & Initiative Highlights



Canadians are Changing the Way They Pay



**Globalization
of
commerce**



**Customer
preferences
changing**



**Technology
continues to
change the
market**



Agenda

What are Payments?

Performance Highlights

Market Dynamics

Strategic Focus & Initiative Highlights



Strategies for Growth

Transform our credit card business



Win primary banking relationships



Ensure optionality in emerging payments



Build on analytics excellence



Making it easier for customers to pay






A CLOSER LOOK AT:
Transforming our Credit Card Business

<p>✓ Invest in People & Infrastructure</p> <ul style="list-style-type: none"> Talent investment Process optimization to improve client experience 	<p>✓ Penetrate Existing Customer Base</p> <ul style="list-style-type: none"> Narrow the gap with our peer group by increasing cross-sell with existing Scotiabank customers
<p>✓ Optimize Risk & Reward</p> <ul style="list-style-type: none"> Focus on optimizing risk not minimizing 	<p>✓ Invest in Marketing & Sales</p> <ul style="list-style-type: none"> Increase "top of wallet" card use New client acquisition Expand channel sales effectiveness


Drive incremental annual earnings of \$80 million in 3-5 years



A CLOSER LOOK AT:
Winning More Primary Day-to-Day Relationships


<ul style="list-style-type: none"> ✓ Product innovation & rewards ✓ Customer experience enhancement ✓ New acquisition channels 		<p>An Example: Bringing Day-to-Day To Life</p> <div style="text-align: center;">  <p>VISA Debit Launch Q3, 2014</p> </div> <div style="text-align: center;">  <p>VISA Prepaid Launch Q4, 2014</p> </div>
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Innovative loyalty products that make it easier for our customers to pay




A CLOSER LOOK AT:
Ensuring Optionality in Emerging Payments


Mobile payments
– simple and secure




Integrated banking,
payments and loyalty



Mobile sales




- Adapting quickly
- Disciplined investment approach
- First to monetize mobile

 Scotiabank

Accelerating Growth Trajectory and Strategy to Win

**Key
Takeaways**

- ✓ Payments are critical to Scotiabank's growth & customer relationships
- ✓ Strong momentum and significant upside for both credit cards and chequing
- ✓ Disciplined investments ensure optionality as landscape evolves
- ✓ Outgrowing the market across all payments key metrics

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Canadian Banking
Investor Day
Thursday, April 24, 2014

Commercial Banking
Gillian Riley
Senior Vice President
Commercial Banking

Agenda

Business Overview

Market Trends

Strategic Priorities & Initiatives



Commercial Banking: Important Contributor to Canadian Banking




The Business Today


% of Canadian Banking Earnings	19%
Assets	\$21 billion
Deposits	\$25 billion
Employees	>950
Relationship Managers	>350
Clients	>22,000



 Scotiabank

Segmented Approach by Company Size

	Large >\$75 million Revenues	Medium \$15-75 million Revenues	Small \$5-15 million Revenues
Market Share	15.0%	8.0%	8.3%
Highlight	Strength in critical Toronto market with share over 21%	Broad and tailored solutions offering	Cross-sell of 52% – strongest for commercial & above market average
			

 Scotiabank Source : CBA Business Credit Statistics

A Differentiated Approach for Specialized Sectors

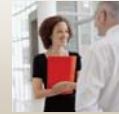
Roynat

- ✓ Provider of customized, non-traditional long term lending & capital to entrepreneurs

Roynat > CAPITAL™

Real Estate

- ✓ Financing solutions tailored to meet developer requirements and income property investors



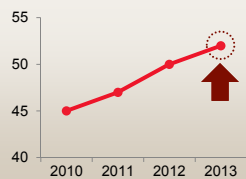
Vendor

- ✓ Facilitating the business-to-business sale of products & services by providing vendors and their customers with innovative financing solutions



Supported by Increasing Customer Satisfaction

Internal Measure: Record High Customer Satisfaction



External Measure: Increased Customer Satisfaction

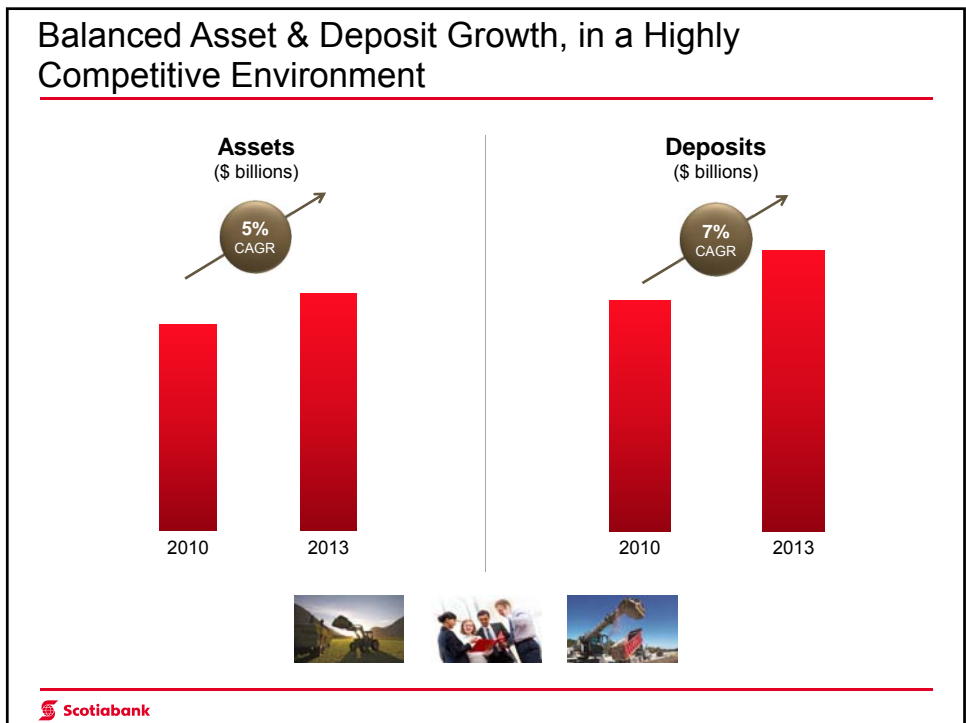
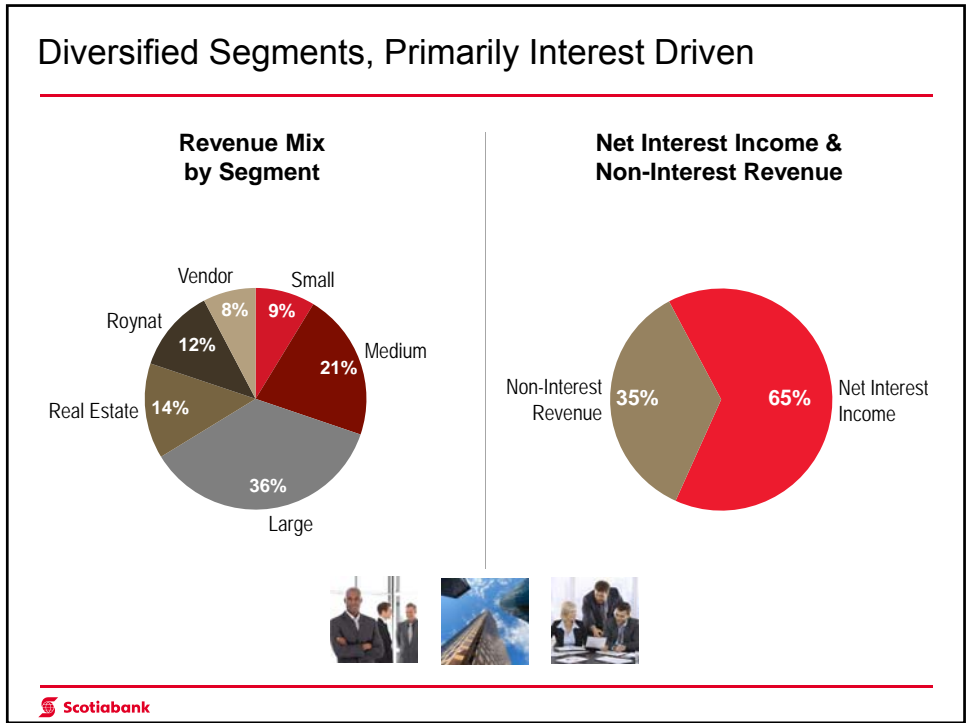


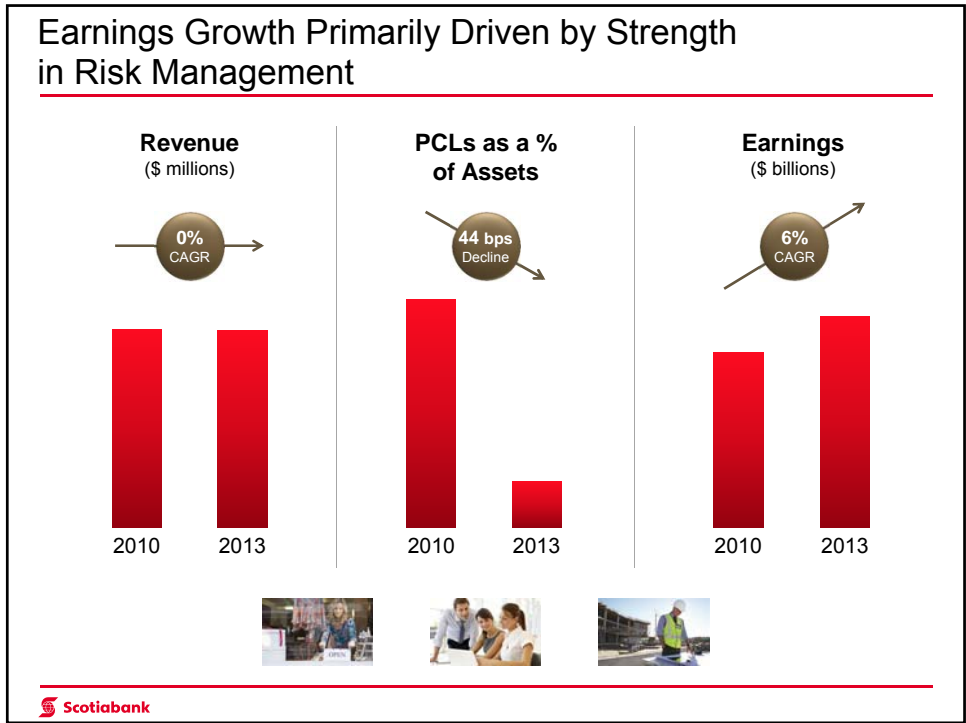
External Measure: Improved Customer Satisfaction Rankings

Overall satisfaction **#4**
Large segment satisfaction **#2**



Sources: Ipsos Reid Market Research February 2014





Agenda

- Business Overview
- Market Trends**
- Strategic Priorities & Initiatives

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Business Landscape in Canada Continues to Evolve

Economic Recovery
Business expansion & increased investment

Growth Rates Differ by Regions
Higher growth rate Western Canada

Government Influence
Free trade agreements: NAFTA, EU, LatAm, Asia

Opportunities to Grow

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Agenda

Business Overview


Market Trends


Strategic Priorities & Initiatives

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Three Point Strategic Focus



- 1 Reposition to better serve our clients
- 2 Increase new client acquisition
- 3 Deepen client relationships & increase cross-sell




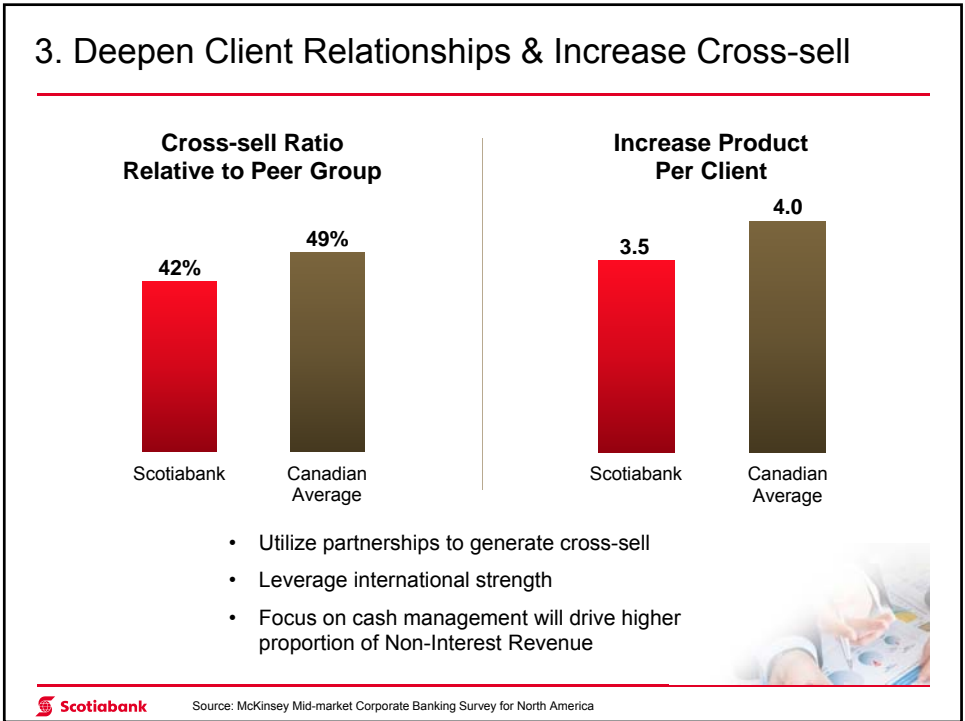
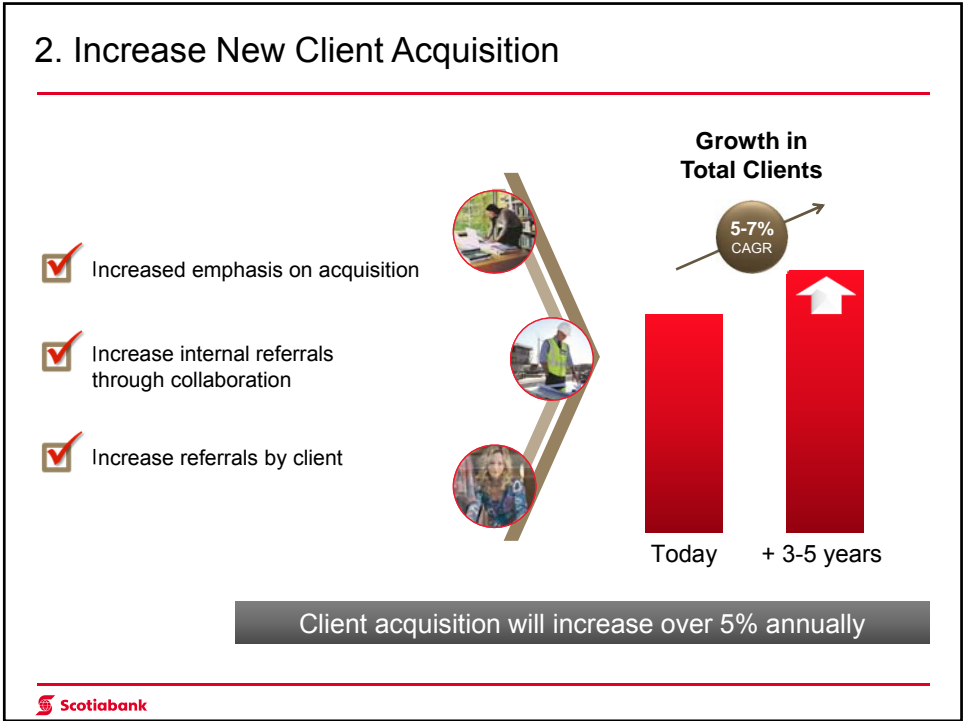
 Scotiabank

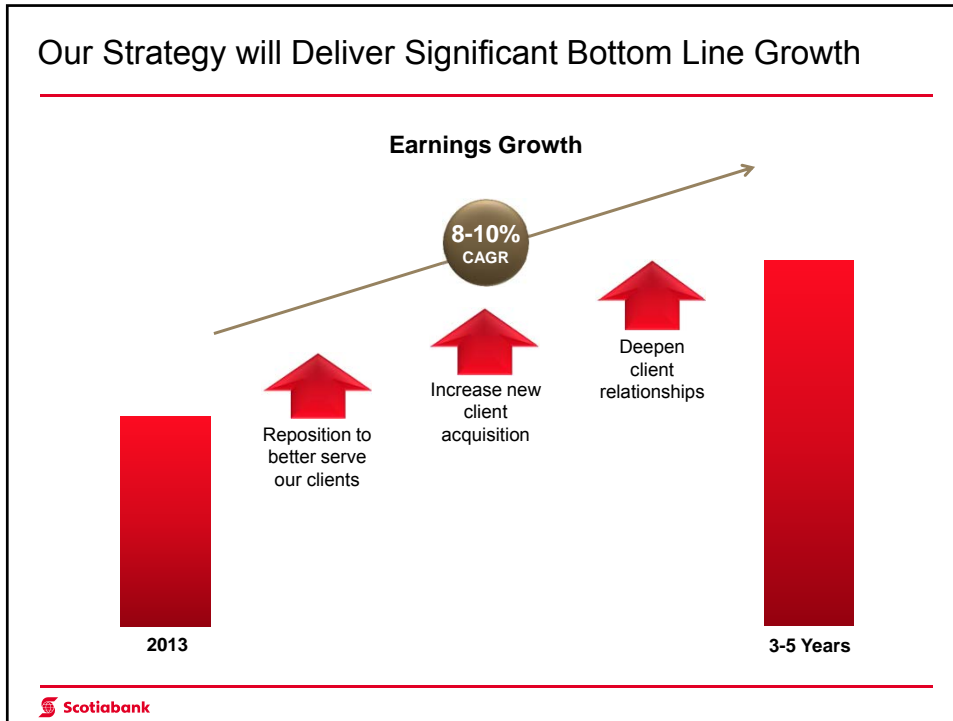
1. Reposition to Better Serve our Clients

- Simplification of client processes
- Increased segment / sector focus – e.g. medium, agriculture
- Invest in training and hiring



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Commercial Banking Positioned for Significant Gains

Key Takeaways

- ✓ Solid business platform
- ✓ Business growth & investment opportunities
- ✓ Renewed strategic focus & commitment to deliver

Scotiabank

Investor Day

Peter Aceto
President & CEO, Tangerine

April 24, 2014



Agenda

Business Overview

Key Differentiators

Market Opportunity

Strategy



Tangerine at a Glance (2013)

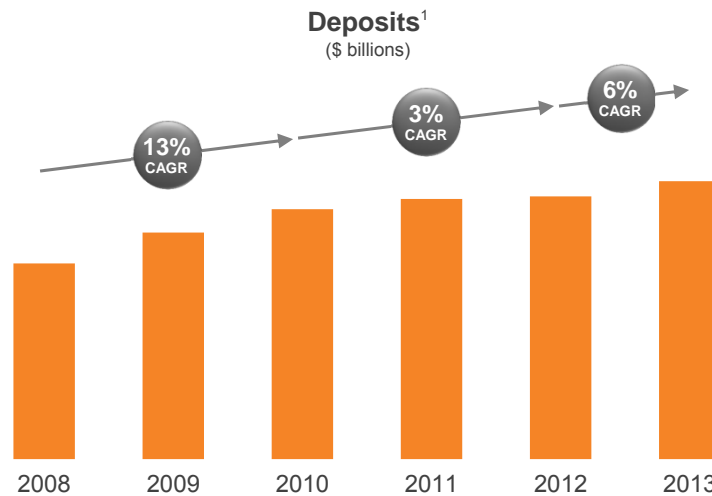
2013 earnings ¹	\$186 million
Customers	1.9 million
Deposits (as at 10/31/2013)	\$31.7 billion
Loans ² (as at 10/31/2013)	\$6.2 billion
Assets under administration	\$1.2 billion
Head office	Toronto
Employees	925
Productivity ratio	49%



¹ Represents 50 weeks of earnings (from November 15, 2012 acquisition)

² Direct loans exclude approximately \$20 billion in broker/white label residential mortgages





Solid Record of High Quality, Sustainable Growth



¹ As at October 31

Offering a Broad Range of Everyday Banking Products

Tangerine
Forward Banking

Saving	Chequing	Investing	Borrowing
<ul style="list-style-type: none">• Savings• GIC	<ul style="list-style-type: none">• Chequing• Overdraft (Q4/14)	<ul style="list-style-type: none">• Mutual funds	<ul style="list-style-type: none">• Mortgages• HELOC• RSP loans• Credit cards (2015)
			




Banking Made Simple

Mobile Remote Deposit Online Telephone Cafes Global ABMs Social Media

Tangerine
Forward Banking

Agenda

- Business Overview
- Key Differentiators**
- Market Opportunity
- Strategy



Tangerine
Forward Banking

The “Secret Sauce” Sustains Competitive Advantage and Creates Exciting Growth Opportunities

1	Attractive customer profile	<p>Key differentiators</p>
2	Innovators	
3	Low cost & scalable model	
4	Innovative products + superior experience	
5	A powerful & distinct culture	

Tangerine Forward Banking

1. Our Clients Have an Attractive Profile

	Big 5	Tangerine
Avg. client age (25-44)	38%	45%
Have a university degree	24%	35%
Household income > \$100k	13%	30%
Personal income > \$100k	5%	13%
Investable assets > \$500k	5%	11%

Tangerine Forward Banking

Source: IPSOS: Q2 2014

2. Innovation Leader: It's in Our DNA

1997-1999

- First to launch a greenfield "Direct" consumer bank in Canada
- First with innovative "Save your money" marketing

2011-2013

- Acquired by Scotiabank
- First to launch remote deposit capture
- First to offer clients access to account info on Facebook

- First launch of "Internet Banking"
- First launch of TFSA "Kick-Start"
- First launch of "Mobile" banking app across all platforms
- First launch of no-fee daily chequing account that pays interest

2000-2010

Tangerine Forward Banking

3. We Operate a Low Cost, Scalable Business

Tangerine Forward Banking

4. Innovative Product Offering and Superior Client Experience



We are a
“Challenger Brand”



5. We Have a Powerful & Distinct Culture




- Entrepreneurial** Think like customers and move the experience further
- Challengers** Challenge the status quo, as banking can be easy
- Simplifiers** Make it simple for our clients to do business with us
- Advocates** Tirelessly advocate for our clients' financial well being
- Innovators** Develop new and leading technology to enhance the client experience





Agenda

- Business Overview
- Key Differentiators
- Market Opportunity
- Strategy



Tangerine
Forward Banking

Canadians are Increasingly Ready for Direct Banking

Cashless Society

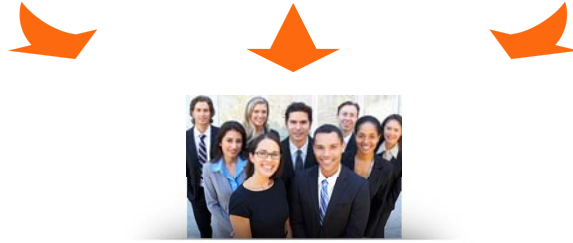
Canadians have a high willingness to shop online and bank virtually

Online Banking

Canada has the 2nd highest penetration of direct banking


Self-First Banking

Tangerine-like customers are open to branchless banking



Target Market

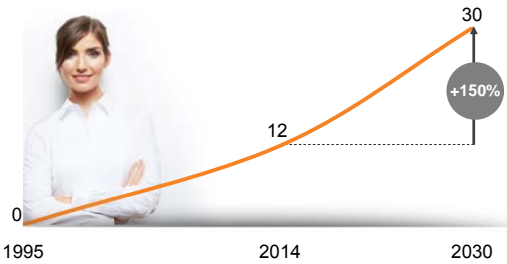
12 million “Direct” or “Direct Ready” Canadians



Source: McKinsey & Co, Canadian Direct Banking Survey (May 2013)

Target Market Set to Grow Disproportionately Faster

“Direct” & “Direct-Ready” Canadians
(millions)




The current addressable Tangerine market in Canada is 40%

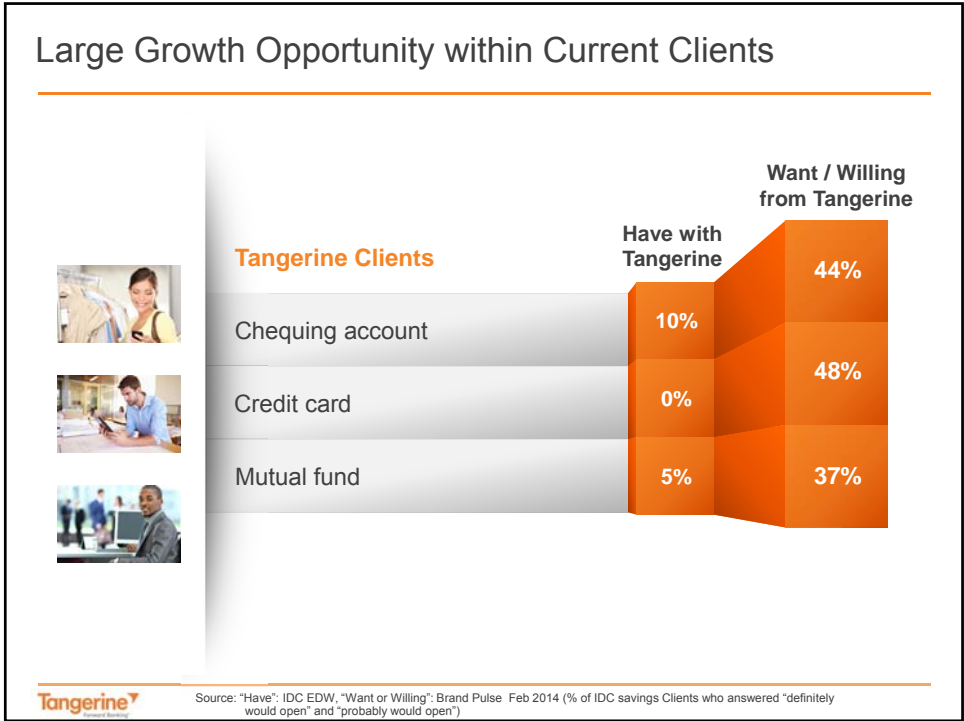
↓

With changing demographics, we expect this to grow to 80-90%

↓

This represents 150% growth in “Direct” or “Direct-Ready” Canadians



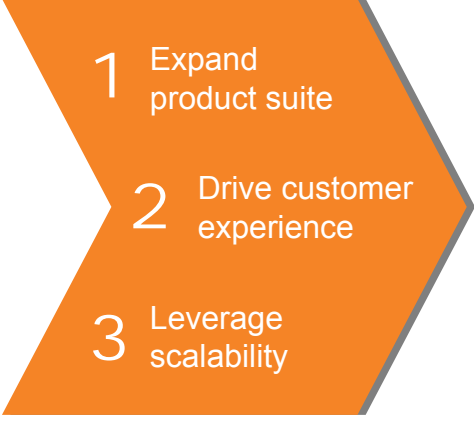


Agenda

- Business Overview
- Key Differentiators
- Market Opportunity
- Strategy**

Tangerine

Tangerine Strategy




1 Expand product suite


2 Drive customer experience

3 Leverage scalability

Tangerine will be the Direct Bank of Choice for Canadians' Everyday Banking Needs



Tangerine has Multiple Growth Initiatives



Grow existing deposit base


Establish + chequing as a "hero" product

Launch + Tangerine credit card

Expand + complementary products

Multi-channel integration & expansion

Tangerine
Forward Banking



Leverage Scotiabank where it Makes Sense

- ✓ Experience & scale of solid Canadian FI
- +
- ✓ Sourcing: where it makes sense
- +
- ✓ Access to global ATM network
- +
- ✓ Autonomous operation

Because of Scotiabank, Tangerine can achieve its strategy faster, cheaper and with less execution risk!


Tangerine⁷

Exportability: A Business Model with Proven Expansion Experience


- ✓ Scotiabank's international presence
- ✓ Tangerine's management experience
- ✓ Portable business model
- ✓ Scalable technology


Tangerine⁷

What Success Will Look Like in the Medium Term:





Grow existing deposit base by 5-8% per year






Increase client base by 7-9% per year





Become the primary bank for 10% of our clients¹



Tangerine⁷ Member Bank ¹ As at October 31, 2013, 3% of clients considered Tangerine their primary bank. Measured by payroll penetration

Key Takeaways

Performance	History of innovation, business growth and client trust
Differentiator	A unique culture, valued brand and loyal client base
Opportunity	Large growth opportunity with both existing and prospective clients
Growth	An enhanced strategy to ensure long-term sustainable franchise and earnings growth
Exportability	Explore opportunities for international expansion

Tangerine⁷ Member Bank

Scotiabank®
Canadian Banking
Investor Day
 Thursday, April 24, 2014

Closing Remarks
 Anatol von Hahn
 Group Head Canadian Banking

IN CLOSING

Positioned to Deliver Above Average Earnings Growth

Strong Performance	Earnings growth above peers ✓ 13% CAGR last 3 years ✓ Built market leading position in non-traditional acquisition channels
Differentiated Platform	Competitive advantage ✓ SCENE ✓ Automotive ✓ Mortgages ✓ Tangerine
Focused Strategy	Focused strategic priorities ✓ Transform retail banking ✓ Drive commercial banking ✓ Accelerate credit card growth ✓ Expand Tangerine ✓ Improve operational excellence

NEXT 3-5 YEARS:
Continued Superior Earnings Growth

- Above peer average
- 5-8% CAGR

Scotiabank

IN CLOSING

Canadian Banking: 3-5 Year Targets

Key Financial Targets	Target
Organic Earnings Growth (CAGR)	5-8%
Productivity Ratio	48-50%
Margin ¹	+10 bps
PCLs as a % of Average Loans	+5 bps



¹ Assuming constant interest rate environment